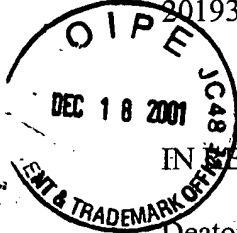


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IN THE UNITED STATES PATENT & TRADEMARK OFFICE

IN RE APPLICATION OF

Deaton et al.

: GROUP ART UNIT 2162

SERIAL NO.: 08/935,116

: EXAMINER: S. Gravini

FILED: September 22, 1997

FOR: SYSTEM, METHOD, AND DATA- :  
BASE FOR PROCESSING :  
TRANSACTIONS :

**APPEAL BRIEF**

ASSISTANT COMMISSIONER FOR PATENTS  
WASHINGTON, D.C. 20231

Sir:

This is an appeal from the rejection mailed September 18, 2001 of claims 8-39. A Notice of Appeal is filed concurrently herewith. The claims on appeal are set forth in Appendix I, and proposed findings of fact and proposed conclusions of law are set forth in Appendix II. A disc having the same claims on appeal and proposed findings of fact and conclusions of law in WordPerfect is submitted herewith for the convenience of the board. See Gechter v. Davidson, 116 F.3d 1454, 43 USPQ2d 1030 (Fed. Cir. 1997).

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## Table of Contents

I.	37 CFR 1.192(c)(1)-REAL PARTY IN INTEREST .....	1
II.	37 CFR 1.192(c)(2)-RELATED APPEALS AND INTERFERENCES .....	1
III.	37 CFR 1.192(c)(3)-STATUS OF THE CLAIMS .....	1
IV.	37 CFR 1.192(c)(4)-STATUS OF AMENDMENTS .....	1
V.	37 CFR 1.192(c)(5)-SUMMARY OF INVENTION .....	1
VI.	37 CFR 1.192(c)(6)-ISSUES .....	7
VII.	37 CFR 1.192(c)(7)-GROUPING OF THE CLAIMS .....	8
VIII.	37 CFR 1.192(c)(8)-ARGUMENT .....	9
A.	37 CFR 1.192(c)(8)(i)-Rejection Under 35 USC 112, first paragraph .....	9
B.	37 CFR 1.192(c)(8)(ii)-Rejection Under 35 USC 112, second paragraph .....	9
C.	37 CFR 1.192(c)(8)(iii)-Rejection Under 35 USC 102 .....	9
1.	Claims 8, 9, 12, and 13 .....	9
2.	Claims 33-39 .....	13
D.	37 CFR 1.192(c)(8)(iv)-Rejection Under 35 USC 103 .....	15
1.	Claims 15 and 16 .....	17
2.	Claims 10, 11, and 14 .....	24
3.	Claims 17-32 .....	27
E.	37 CFR 1.192(c)(v)-OTHER REJECTIONS .....	32
1.	35 USC 101 .....	32
2.	Double Patenting .....	34
A.	Claims 8, 9, 12, and 13 .....	35

B.	Claims 10, 11, and 14 .....	37
C.	Claims 15 and 16 .....	39
D.	Claims 17-32 .....	44
E.	Claims 33-39 .....	49
IX.	CONCLUSION .....	53

**I. 37 CFR 1.192(c)(1)-REAL PARTY IN INTEREST**

The real party in interest in this appeal is Catalina Marketing Corporation, a corporation of Florida.

**II. 37 CFR 1.192(c)(2)-RELATED APPEALS AND INTERFERENCES**

Appellants, appellants' legal representative, and the assignee are aware of no appeals or interferences which will directly affect or be directly affected by or have a bearing on the board's decision in this appeal.

**III. 37 CFR 1.192(c)(3)-STATUS OF THE CLAIMS**

Claims 8-39 stand rejected, and they are herein appealed.

**IV. 37 CFR 1.192(c)(4)-STATUS OF AMENDMENTS**

No amendment was filed in response to the outstanding office action.

**V. 37 CFR 1.192(c)(5)-SUMMARY OF INVENTION**

This invention relates to transaction processing and analysis systems, including credit verification systems, and more particularly, to a method and system for processing and developing a local customer database of customer information that can be used for credit verification, marketing and other customer relations-purposes. Specification on page 1 lines 3-10.

Important goals of the disclosed invention are to facilitate purchase transactions by reducing the requirements for customer identification, to enable a store to adopt a risk management approach to credit verification based on a customer's transactional history data,

including purchase frequency, dollar volume of purchase over specified intervals, and to use the customer's transactional history data to improve a store's marketing and other customer relations programs. Specification page 8 lines 2-9.

At page 16 lines 9-18, the specification discloses that a customer's account number provides a unique identification for that customer. Using this ID, a customer record is created and included in the local customer database. The customer record includes an assigned customer verification status, as well as selected transactional data. Customer status designations include POSITIVE, NEGATIVE and CAUTION, while transactional data includes transaction frequency and dollar volume over given intervals (such as Day/Week/Total or DWT).

As disclosed at page 18 line 11-page 19 line 12, Figure 1 shows, a transaction processing system 110 located at a store includes a transaction processor 112 coupled to a disk system 114 that stores the customer database used in transaction processing. Transaction processor 112 handles all file I/O for accessing, managing and updating the customer database.

Transaction processor 112 is coupled through a network data communications interface 116 (including network communications ports and associated drivers) and a network bus 118 to a plurality of transaction terminals 120. Transaction processor 112 is able to communicate with other transaction processing systems through a telecommunications interface 117 (including a modem). Page 18 second paragraph.

Transaction terminals 120 are each located at a point-of-sale (such as a grocery store checkout stand). Transaction terminals 120 are used to communicate information to transaction processor 112 for check transaction processing and customer database management. A transaction terminal transmits a request (including a function code identifying the requested function together with other request data) to the transaction processor, which processes the

request and returns an appropriate response. Paragraph spanning pages 18-19.

For example, in the case of check verification, a transaction terminal is used to transmit a verification request -- the customer's check ID, the verification function code, and the dollar amount. The transaction processor processes the request, updates the customer database to reflect that transaction, and returns a customer verification status response to the transaction terminal. Page 19 first paragraph.

As disclosed of page 21 lines 7-22, FIGURE 2A shows that each transaction terminal 120 includes a keypad 122 and a display 124. Keypad 122 is a 4X4 key matrix that includes specific keys for Function, Enter, Scroll, Clear and Back Space, as well as 0-9 and \$. Display 124 is a liquid crystal display capable of displaying two lines of up to twenty characters each.

For example, to initiate a check verification request, keypad 122 is used to enter the customer's check ID and the amount of the check, along with the function code designating check verification. This request is displayed on display 124, and sent to transaction processor 112. The check verification response, including the customer's verification status (such as POSITIVE, NEGATIVE or CAUTION), returned by the transaction processor is then displayed on display 124. Page 21 second paragraph.

Page 34 line 28-page 37 line 8 discloses that the customer database includes all customer information used and maintained by the transaction processing system. The customer database comprises two separate files containing customer information: the customer file and the negative status file. In addition, a system control file contains transactional limits used during check verification and purge limits.

The customer file contains customer records that include the following customer information:

Field	Description
Check ID	Customer checking account number
Verification Status	POSITIVE, NEGATIVE, CAUTION, CASH ONLY, or STOLEN
User Flags	User assigned flags that designate a customer as PREAPPROVED for check transactions regardless of any transactional limits, or as being authorized for check transactions on a MANAGER ONLY approval basis regardless of actual status
Transfer Date/Time	Date/time the customer record was last accessed and updated (written to disk), used in host/remote transfers for global update (transfers from host to remote generally do not affect this date)
Access Date/Time	Last date/time the customer record was accessed and updated (a query function does not change the access date/time)
Status Change Date	Date/time customer status changed (e.g., CAUTION to POSITIVE)
DWT Frequency	Day/Week/Total values for transaction frequency (updated transactionally during check verification and globally)
DWT \$Amount	Day/Week/Total dollar amounts (updated transactionally during check verification and globally)
Previous Status	Customer's previous status (such as CAUTION prior to being rolled POSITIVE)
Frequency Since Transfer	Total number of check transactions since the last global transfer
\$Amount Since Transfer	Total dollar volume since the last global transfer

See the table spanning pages 35-36.

The file specification for a customer record is set forth in Table 1 at the end of the specification. See page 116 of seq.

The customer file is indexed by (a) check ID, and (b) status/transfer date/check ID. Page 36 second paragraph.

The preferred intervals for maintaining frequency and dollar amount transactional data are Day/Week/Total, where the day is the current 24-hour period, the week is the previous 7 days, and the total is the total since the customer's first recorded transaction. The DWT designation will be used throughout this specification to indicate the three separate Day/Week/Total values for either Frequency or \$Amount, throughout the specification.

Page 43 line 16-page 45 line 15 disclose that specific functions available in the check transaction processing system are invoked by entering at a transaction terminal a request including an appropriate function code (function key plus code number) and request data (such as check ID and \$Amount).

The specific check transaction processing functions are set forth in Table 4 at the end of the specification, with each function being described in terms of function code description, keypad input, and keypad output. These functions are shown on pages 44 and 45 to be in the following general categories:

---

<u>Function</u>	<u>Description (Function Code)</u>
Verify	Request check verification status for the current check transaction (F55) (updating the corresponding customer record to reflect the current transaction)
Query	Request information about status (F1), NEGATIVE status



	and locations (F2, F3, F4) and DWT Frequency and \$Amounts (F5) (the customer database is not updated)
Input Status	Add (F40, F41, F44) and Delete (F60, F61, F62, F63, and F66) the status values CASH ONLY, STOLEN and NEGATIVE, and Add (F42, F43) and Delete (F62, F63) PRE-APPROVED and MANAGER ONLY user flags
Event Activity	Start (F950) and Stop (F951) an event activity, request event time (F952), and request activity status (F953)
System Information	Request certain system information, including memory usage (F902), disk usage (F903), customer file size (F904), negative status file size (F905), CAUTION/POSITIVE roll period (F906, F907), Purge limits (F906, F908-F912), CALL MANAGER limits (F906, F913-F917)
System Diagnostics	Request system diagnostic functions, including log-in/out (F77/F88), keypad debug (F960), modem debug (F970), data manager debug (F980), open/close customer database (F981/F982) and shutdown (F999)

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Importantly, page 59 line 13-page 60 line 9 discloses customer information reporting, stating that:

Customer Information Reporting. The check transaction processing system allows a store to build and maintain a customer database containing customer information useful for identifying new customers and developing customer profiles, in addition to its use for check verification.

Reporting customer information,' such as verification status and DWT Frequency/\$ Amounts, is a matter of routine design selection and store policy.

Customer information reports are recommended (a) to identify new customers, and (b) to develop customer profiles, both of which can be used in targeting marketing, advertising and promotional programs, and for other customer relations purposes. Specifically, new customers are identified by regularly reporting customer records with a CAUTION status. Regular customers are identified by reporting customer records based on DWT Frequency data, while the level of a customer's business is identified by reporting -customer records based on DWT \$Amount data. Additional customer information that can be readily collected in the customer records includes zip code and marital status information useful in demographic analysis.

The check transaction processing system permits the customer information contained in the customer database to be collected in an unobtrusive and efficient manner during high volume check transactions.

**VI. 37 CFR 1.192(c)(6)-ISSUES**

1. Whether claims 33-39 are unpatentable under 35 USC 101 as being directed to non-statutory subject matter?
2. Whether claims 8, 9, 12, and 13 are unpatentable under 35 USC 102(b) as being anticipated by Creekmore (US Patent No. 4,109,238)?
3. Whether claims 33-39 are unpatentable under 35 USC 102(b) as being anticipated by Goldman et al. (Re 30580)?
4. Whether claims 15 and 16 are unpatentable under 35 USC 103(a) as being obvious over Creekmore in view of Off et al. (US Patent No. 4,910,672)?
5. Whether claims 10, 11, and 14 are unpatentable under 35 USC 103(a) as being obvious over Creekmore in view of Off et al. and further in view of Tai (US Patent No. 4,908,761)?
6. Whether claims 17-32 are unpatentable under 35 USC 103(a) as being obvious over Creekmore in view of Off et al. in view of Tai in view of Bigari (US Patent No. 5,010,485)?
7. Whether claims 8, 9, 12, and 13 are unpatentable under the judicially created doctrine of obviousness-type double patenting over claim 23 of US Patent No. 5,305,196?
8. Whether claims 10, 11, and 14 are unpatentable under the judicially created doctrine of obviousness-type double patenting over claims 18 and 26 of US Patent No. 5,201,010?
9. Whether claims 15 and 16 are unpatentable under the judicially created doctrine

of double patenting over claim 12 of US Patent No. 5,659,469?

10. Whether claims 17-32 are unpatentable under the judicially created doctrine of obviousness-type double patenting over claims 1 and 3 of US Patent No. 5,529,560?

11. Whether claims 33-39 are unpatentable under the judicially created doctrine of double patenting over claims 1, 2, and 3 of US Patent No. 5,529,560?

## **VII. 37 CFR 1.192(c)(7)-GROUPING OF THE CLAIMS**

1. Claims 8, 9, 12, and 13;
2. Claims 10, 11, and 14;
3. Claim 15;
4. Claim 16;
5. Claims 17, 20, 22, 25, 27, 28;
6. Claims 18 and 23;
7. Claims 19 and 24;
8. Claims 21 and 26;
9. Claim 29;
10. Claims 30 and 31;
11. Claim 32;
12. Claims 33, 34, and 37;
13. Claim 35;
14. Claim 36;
15. Claim 37;
16. Claim 38; and

17. Claim 39.

#### **VIII. 37 CFR 1.192(c)(8)-ARGUMENT**

##### **A. 37 CFR 1.192(c)(8)(i)-Rejection Under 35 USC 112, first paragraph**

There is no rejection under 35 USC 112, first paragraph.

##### **B. 37 CFR 1.192(c)(8)(ii)-Rejection Under 35 USC 112, second paragraph**

There is no rejection under 35 USC 112, second paragraph.

##### **C. 37 CFR 1.192(c)(8)(iii)-Rejection Under 35 USC 102**

Claims 8, 9, 12, and 13 stand rejected under 35 USC 102(b) as being anticipated by Creekmore (U.S. patent No. 4,109,238). Claims 33-39 stand rejected under 35 USC 102(b) as being anticipated by Goldman et al. (U.S. patent No. Re 30,580). These rejections are clearly untenable, and they should be reversed.

Under 35 USC 102, every limitation of a claim must identically appear in a single prior art reference for it to anticipate the claim. Gechter v. Davidson, 116 F.3d 1454, 1457, 43 USPQ2d 1030, 1032 (Fed. Cir. 1997). The factual determination of anticipation requires a disclosure in a single reference of every element of the claimed invention. Ex parte Levy, 17 USPQ2d 1461, 1462 (PTOBPAI 1990). Moreover, it is incumbent upon the examiner to identify wherein each and every facet of the claimed invention is disclosed in the applied reference. Ex parte Levy, 17 USPQ2d at 1462. These elements must be arranged as in the claim under review. In re Bond, 910 F.2d 831, 832, 15 USPQ2d 1566, 1567 (Fed. Cir. 1990).

##### **1. Claims 8, 9, 12, and 13**

Claims 8, 9, 12, and 13 stand rejected under 35 USC 102(b) as being anticipated by

Creekmore (U.S. patent No. 4,109,238).

On page 3 line 7-page 4 line 5 of the outstanding office action, the examiner states:

Creekmore discloses a system comprising: a terminal **13** for entering unique customer identification codes from customer identification presented at the point-of-sale in a retail transaction; means **26 & 27** for allowing entry of customer transaction data (the disclosed slot **26** and side **27** of the input terminal allows entry of customer transaction data because a customer enters an identification card transaction data **25**); a processor **19** and a memory **20** responsive to said terminal and said means allowing entry for creating a database for a plurality of the store's customers' transaction data from prior shopping visits, such that data regarding individual customer's prior transactions are stored in association with said individual customer's unique identification code; and circuitry **18 & 25** responsive to said processor, memory, and database for generating a customer information response signal at the point-of-sale during said individual customer's transaction at said retail establishment upon detection of a unique identification code of said individual customer, said signal being related to said individual customer's transaction data in shopping visits prior to the current shopping visit, and said signal providing information at said point-of-sale terminal derived from said database and useful for effectuating targeted customer promotion.

Creekmore inherently generates [a] customer information response signal as a function of analysis by circuitry of the individual customer's transaction following the detection of said unique identification code of the individual

customer since the teachings of Creekmore disclose customer recognition and analysis.

Creekmore fails to anticipate claims 8, 9, 12, and 13 for at least the following reasons.

First, Creekmore does not disclose a system for entering unique customer identification codes from customer identification presented at the point-of-sale and for accumulating transaction data at the point-of-sale, as claimed. That is, Creekmore's terminal 13 is not located in a checkout lane of a grocery store and therefore is not at the point of sale, as defined by claims 8, 9, 12, and 13. It is located at a convenient location such as a location near the checkout lanes of a grocery store. (See column 5 lines 15-20.) Creekmore merely discloses a check verification system wherein a shopper may have his or her check approved prior to entering a checkout lane where the sale actually takes place. Creekmore discloses that his terminal 13 is for use by the customer to provide the customer information about the customer's checking account status and whether a store will accept the customer's check. See column 3 lines 6-18.

Secondly, the system disclosed by Creekmore does not allow entry of customer transaction data as recited in claims 8, 9, 12, and 13. The only information entered by the customer in Creekmore's system is the customer's account number and identification code. See column 3 lines 7-8.

On page 10 line 13-page 11 line 4, the examiner states that:

Applicants argue that Creekmore's terminal is not at the point[-]of[-]sale as independently claimed. However at column 5, beginning at line 18, [Creekmore] discusses "terminal 13 which may be positioned at any convenient point-of-use location such as a location near the checkout." This discussion

shows the equivalency of applicants' terminal location to the teachings of Creekmore, because applicants' claimed terminal location at the point-of-sale is broad enough to encompass the terminal location as specifically taught in Creekmore (the expressed teaching of a terminal near the checkout is the same as applicants' terminal at the point[-]of[-]sale). Examiner disagrees with applicants' arguments because the terminal location is the same in both the independently claimed invention and in the prior art.

The examiner's assertion that the terminal 13 disclosed by Creekmore is at the point-of-sale is clearly incorrect. The examiner omitted a portion of the quotation in Creekmore at column 5 beginning at line 18. The pertinent disclosure states "the input terminal 13 which may be positioned at any convenient point-of-use location such as a location near the checkout lanes of a grocery store." Creekmore teaches the input terminal 13 is for pre-verification of a customer's check, which means that input terminal 13 is not involved in the subsequent purchase transaction wherein the check is tendered. See column 5 lines 56-60 and column 12 lines 27-38. Thus, the terminal 13 disclosed by Creekmore is not at the point-of-sale as asserted by the examiner. The error in the examiner's assertion is further illustrated by the disclosure in Creekmore at column 5 lines 56-60 that "In the present example it is assumed that the customer has not passed through a checkout lane of the store and does not presently know the exact amount of the purchase selected for purchase." Thus, applicants submit that the terminal location is not the same as that recited in claims 8, 9, 12, and 13.

On page 11 lines 5-11 of the outstanding office action the examiner states:

Applicants further argue that Creekmore does not allow entry of customer

transaction data as independently claimed. At column[s] 5 and 6 of Creekmore, customer data entry including inserting an identification card 25 into the terminal and a customer identification card 15 for “transaction information received at the input terminal” is discussed. Examiner disagrees with applicants’ arguments because the independently claimed entry of customer transaction data is equivalent to the disclosed customer data entry such that in order to fulfill a transaction, a customer identification code must be entered.

Applicants submit that this argument of the examiner’s is also incorrect. The examiner does not distinguish between the terminal for entering unique customer identification codes for customer identification and the means for allowing entry of customer transaction data. The data entry in columns 5 and 6 of Creekmore cited by the examiner refers to entering unique customer identification codes for customer identification; it does not relate to the entry of transaction data as recited in claim 8. The same is true with respect to claim 9 which recites apparatus for entering unique customer identification codes and a terminal for entering customer transaction data. Moreover, the input terminal 13 is not a point-of-sale terminal. No sale is transacted. Therefore, use of Creekmore’s terminal 13 does not meet the “accumulating customers transaction data at the point-of-sale” recited in claims 8 and 9. Claim 12 depends from claim 8 and claim 13 depends from 9. Accordingly, claims 12 and 13 patentably distinguish over Creekmore for the reasons stated above with respect to claims 8 and 9.

For at least the above reasons, the subject matter defined by claims 8, 9, 12, and 13 is not anticipated by the Creekmore patent.

## **2. Claims 33-39**



Claims 33-39 stand rejected under 35 USC 102(b) as being anticipated by Goldman et al. (U.S. Patent No. Re 30,580).

On page 4 lines 7-18 of the outstanding office action, the examiner states:

Goldman et al. discloses a customer database comprising: stored transaction data from prior point-of-sale transactions for a plurality of customers, such that data regarding a customer's prior transactions are stored in association with an identification of that customer, said transaction data including dollar amount of purchases and time period or alternatively including total dollar amount of purchases purchased during a period of time associated with an identification of a customer. Please refer to column 5 of Goldman which shows a table that lists up to five stored transactions outputs displayed to a cashier who will inherently be at a point of sale for a transaction (cashiers are normally at a point of sale during transactions). Not only does the output store a plurality of individual customers's data but the dollar amount (i.e. worthless, habitually overdrawn, or valid) and current time period. Goldman et al. also discloses time period of a day of week (discussed in the first full paragraph of column 12) and number and frequency of transactions (discussed at column 5).

Goldman et al. fails anticipates claims 33-39 for at least the following reasons.

Independent claim 33 is directed to a computer implemented customer database comprising stored transaction data wherein said transaction data includes "dollar amount of purchases and time period." (Emphases added.) In rejecting claims 33, the examiner relies upon the disclosure in column 5 and the disclosure in the first full paragraph of column 12 of Goldman

et al. However, there is no disclosure in column 5 or in the first full paragraph of column 12 of Goldman et al. of the subject matter recited in claim 33. That is, contrary to the examiner's assertion, Goldman et al. does not disclose a computer implemented customer database comprising stored transaction data wherein the transaction data includes "dollar amount of purchases and time period" as recited in claim 33. Likewise, Goldman et al does not disclose a computer implemented customer database comprising stored transaction data wherein said transaction data includes "total dollar amount of purchases purchased during a period of time associated with an identification of a customer [emphasis added]" as recited in independent claim 34. The disclosure in column 5 of Goldman et al. relates to a system for determining whether a customer has previously presented a check to a merchant and, if so, whether that check turned out to be good or bad. As pointed out in the first full paragraph of column 12, Goldman et al., in the case of a first time check presenter, provides for a waiting period before making a determination that the check has cleared. Thus, neither the disclosure in column 5 nor the disclosure in the first full paragraph of column 12 of Goldman et al. anticipates the subject matter independent claim 33 or independent claim 34. Claims 35-39 depend from claim 34, and therefore they patentably distinguish over Goldman et al. for the same reason stated with respect to claim 34.

Moreover, Goldman et al. does not disclose a database storing amount of purchases per week (claim 35), number of transactions (claim 36), frequency of transactions (claim 37), frequency in a specified time (claim 38), or where the time period for frequency is one week (claim 39).

**D. 37 CFR 1.192(c)(8)(iv)-Rejection Under 35 USC 103**

Claims 10, 11, and 14; claims 15-16; and claims 17-32, respectively, stand rejected under 35 USC 103(a) on various references as noted below. These rejections are clearly untenable, and they should be reversed.

Several basic factual inquiries must be made in order to determine obviousness or non-obviousness of claims in a patent application under 35 USC 103(a). These factual inquiries are set forth in Graham v. John Deere Co., 383 U.S. 1, 17, 148 USPQ 459, 467 (1966):

Under § 103, the scope and content of prior art must be determined; differences between the prior art and the claims at issue must be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background, the obviousness of the subject matter is determined.

The specific inquiries set forth in Graham have not been considered or properly applied by the examiner in formulating the rejections of claims 10, 11, and 14-32. That is, the examiner has failed to properly determine the scope and content of the prior art, has failed to ascertain the differences between the prior art and the claims, and he has failed to determine the level of skill in the pertinent art. In the present case, proper consideration of these inquiries demonstrates that the claimed invention would not have been obvious to one having ordinary skill in the art at the time that the claimed invention was made.

“In rejecting claims under 35 U.S.C. § 103, the examiner bears the initial burden of presenting a prima facie case of obviousness. [Citation omitted.] Only if that burden is met does the burden of coming forward with evidence or arguments shift to the applicant. *Id.* ‘A prima facie case of obviousness is established when the teachings of the prior art itself would appear to have suggested the claimed subject matter to a person of ordinary skill in the art.’ [Citations

omitted.] If the examiner fails to establish a prima facie case, the rejection is improper....” In re Rijckaert, 9 F.3d 1531, 1532, 28 USPQ2d 1955, 1956 (Fed. Cir. 1993). See also In re Dance, 160 F.3d 1339, 1343, 48 USPQ2d 1635, 1637 (Fed. Cir. 1998); In re Dembiczak, 175 F.3d 994, 998, 50 USPQ2d 1614, 1616; and In re Zurko, 258 F.3d 1379, 1384-1385, 59 USPQ2d 1693, 1696-1697 (Fed. Cir. 2001). “That two things are *actually* equivalents, in the sense that they will both perform the same function, is not enough to bring into play the rule that when one of them is in the prior art the use of the other one is obvious and cannot give rise to patentable invention.” In re Ruff, 256 F.2d 590, 597, 118 USPQ 340, 347 (CCPA 1958). The examiner’s rejection must be supported by substantial evidence. In re Kotzab, 217 F.3d 1665, 1369-1370, 55 USPQ2d 1313, 1316 (Fed. Cir. 2000); and In re Zurko, 258 F.3d at 1384, 59 USPQ2d at 1696.

#### **1. Claims 15 and 16**

Claims 15 and 16 stand rejected under 35 USC 103(a) as being unpatentable over Creekmore (U.S. patent No. 4,910,672) in view of Off et al. (U.S. patent No. 4,910,672).

On page 5 line 3-page 6 line 17 of the outstanding office action, the examiner states:

Creekmore discloses a method comprising entering into a point-of-sale terminal a unique identification code for a customer (please see column 3 lines 6-10 which teaches the equivalent entry of account information and personal code into a transaction processor as the claimed point-of-sale terminal customer unique identification code); entering into said terminal transaction data relating to the customer’s shopping transaction (please see column 3 lines 19-45 which teaches the equivalent transaction processor **19** that performs the claimed terminal transaction data entry); generating and maintaining a database, including the step

of correlating said transaction data with said unique identification code (please see column 3 lines 39-66 which teach the equivalent generating and maintaining steps throughout the check cashing master file 20). Creekmore discloses the claimed invention except for the step of responding to entry, during a current transaction, of said unique identification code for a customer by analyzing said transaction data of the customer, including data in said database from prior transactions, with or without data from the current transaction, in order to generate a response which is a function of said data in said database from prior transactions, and by supplying said response to said terminal during said current transaction in which said unique identification code is entered, said response including information for effecting a targeted promotion to the customer. Off et al. discloses that it is known to provide the step of responding to entry, during a current transaction, of said unique identification code for a customer by analyzing said transaction data of the customer, including data in said database from prior transactions, with or without data from the current transaction, in order generate a response which is a function of said data in said database from prior transactions, and by supplying said response to said terminal during said current transaction in which said unique identification code is entered, said response including information for effecting a targeted promotion to the customer, as set forth at column 9, lines 15-60 (the input data at a scanner including a keyboard generates a coupon which inherently performs the claimed step of responding to entry in the same manner with the same function with the same results). It would have been [an; sic] obvious to one skilled in the art, at the time the invention was made to modify the teachings of

Creekmore, by providing the step of responding to entry, during a current transaction, of said unique identification code for a customer by analyzing said transaction data of the customer, including data in said database from prior transactions, with or without data from the current transaction, in order to generate a response which is a function of said data in said database from prior transactions, and by supplying said response to said terminal during said current transaction in which said unique identification code is entered, said response including information for effecting a targeted promotion to the customer, as taught by Off et al. in order to allow a more effective marketing scheme to reward frequent shoppers with targeted promotions.

The subject matter defined by claims 15 and 16 would not have been obvious from the applied references for at least the following reasons.

First, one having ordinary skill in the art would not have been motivated to combine the teachings of Creekmore and the Off et al. in the absence of applicants disclosure. That is, Creekmore is directed to a system of allowing customers to predetermine that their check will be subsequently accepted in a purchase transaction (wherein the customer's check is evaluated at a terminal remote from the checkout lane, and if the customer's check is approved the customer is informed that the customer may use the check at the point-of-sale terminal in a checkout lane to pay for the goods selected for purchase by the customer). (See column 5 lines 15-20.) Off et al. discloses a system directed to four different features--namely, (1) "negative" coupons, (2) multiple-trigger coupons, (3) log-only operations, and (4) instantly redeemable coupons. (See column 2 lines 7-11.) Because none of these features to which Off et al. is directed relates to or

has any bearing on the customer credit pre-verification system disclosed in Creekmore, it is only through the improper use of hind-sight using applicants disclosure as a template or blueprint that one having ordinary skill in the art would even consider attempting to combine the teachings of applied references in any manner.

Secondly, the references are not logically combinable in the manner the examiner proposed because they do teach what the examiner asserts they teach.

Thirdly, even if the references could be combined as proposed by the examiner, the combination would not result in the subject matter defined by claims 15 and 16. Neither of the applied references teaches or suggests any of the four steps recited in claims 15 and 16. That is, Creekmore does not teach or suggest entering a unique identification code for a customer at a point-of-sale terminal. It teaches entering identification information at a terminal remote from the checkout lanes. See column 5 lines 15-20 and 56-60. Therefore, Creekmore does not teach or suggest the first step in either claim 15 or 16. Moreover, Creekmore does not teach or suggest entering into said terminal transaction data relating to the customers shopping transactions. As shown in Fig. 4 of Creekmore, the system merely keeps tracks of the types of checks that have been authorized and whether the number of authorized checks has been exceeded during a particular time period. Therefore, Creekmore does not teach or suggest the second step in either claim 15 or 16. Because steps 3 and 4 in claims 15 and 16 are based on steps 1 and 2, it follows that Creekmore does not teach or suggest the subject matter in either step 3 or step 4 of claims 15 and 16.

The system disclosed in Off et al. does not include the use of a unique identification code for a customer. Therefore, Off et al. does not teach or suggest the first step of either claim 15 or 16. Off et al. only teaches or suggests entering at a point-of-sale terminal transaction data

relating to a customer's current shopping transaction. Therefore, Off et al. does not teach or suggest entering transaction data relating to the customer's prior shopping transactions.

Therefore, Off et al. does not teach or suggest the second step of either claim 15 or 16. Because Off et al. does not teach or suggest using an identification code for a customer, Off et al. fails to teach or suggest the third step of either claim 15 or 16. Finally, because Off et al. does not maintain a database including data from prior transactions, it follows that Off et al. does not teach or suggest the fourth step of either claim 15 or 16.

On page 11 line 16-page 12 line 10 of the outstanding office action the examiner states:

Applicants argue a lack of motivation for combining the teachings of Creekmore with Off et al. In response to applicant's argument that the examiner's conclusion of obviousness is based upon improper hindsight reasoning, it must be recognized that any judgment on obviousness is in a sense necessarily a reconstruction based upon hindsight reasoning. But so long as it takes into account only knowledge which was within the level of ordinary skill in the time the claimed invention was made, and does not include knowledge gleaned only from the applicant's disclosure, such a reconstruction is proper. See *In re McLaughlin*, 443 F.2d 1392, 170 USPQ 209 (CCP 1971). The teaching of Creekmore incorporates the claimed features of correlating terminal transaction data with customer identified in a shopping transaction as discussed in the rejection above. In the same field of endeavor, Off et al. provides the missing independently claimed element for transaction analyzation for response generation. Examiner considers the reconstruction of Creekmore and Off et al. to be proper in order conclude obviousness based on one of ordinary skill at the time the invention was made.



Applicants submit, as pointed out above with respect to the rejection of claims 8, 9, 12, and 13 over Creekmore, that Creekmore does not teach or suggest either of the first two steps of claims 15 and 16 - namely the steps of (1) entering into a point-of-sale terminal a unique identification code for a customer or (2) entering into said terminal transaction data relating to the customer's shopping transactions. Thus, Creekmore fails as a primary reference. Off et al. fails to make up for the deficiencies in Creekmore. In addition, Off et al. teaches away from the claimed invention because it does not involve entering into a point-of-sale terminal a unique identification code for a customer, and therefore it does not teach or suggest responding to entry, during a current transaction, of the unique identification code for a customer as recited in claim 15. Moreover, the Off et al. disclosure relates to the identification of a triggering product in a customers current transaction. Therefore, it does not relate to analyzing the transaction data from prior transactions nor does it associate the transaction with a particular customer. The noted deficiencies in Off et al. apply to claim 16 as well.

On page 12 line 11-page 13 line 3 of the outstanding office action, the examiner states:

Applicants further argue that the combination of the prior art would not result in the independently claimed subject matter. As discussed in the anticipatory rejection of claims 8, 9, 12, & 13 paragraphs above, examiner considers that Creekmore discloses a unique identification code for a customer at a point-of-sale terminal. In response to applicant's argument that there is no suggestion to combine the references, the examiner recognizes that obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or

motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. See *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988) and *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). In this case, the claimed data analyzation for coupon distribution is disclosed in Off et al. for the motivation discussed under that reference's summary of the invention, specifically where conditioned coupon printing and coupon triggering is discussed.

As noted above, applicants submit that Creekmore clearly does not anticipate the subject matter of claims 8, 9, 12, and 13 nor does it suggest that subject matter. Creekmore also fails to teach or suggest the subject matter of claims 15 and 16, and it fails as a primary reference with respect to claims 15 and 16 for the reasons stated above with respect to the subject matter of claims 8, 9, 12, and 13. As noted in the preceding paragraph, Off et al. is directed to the detection of triggering products in the customers current shopping transaction, and it does not involve analyzing prior shopping transactions or the identification of any particular customer. Therefore, Off et al. fails to make up for the deficiencies in Creekmore, and in fact it actually teaches away from the invention set forth in claims 15 and 16.

On page 13 lines 4-10 of the outstanding office action the examiner states:

Applicants also argue that Off et al. does not include the use of a unique identification code for a customer. Examiner disagrees. The disclosed response return point with respect to file access requests, disclosed at columns 9 & 10, inherently meets the independently claimed unique identification code for each shopper because each shopper's transaction is unique as reported at the disclosed

response return point. Examiner considers the independently claimed use of a unique identification code for a customer to be equivalent to the disclosed response return point taught in the prior art.

Applicants submit that the examiner's argument is clearly incorrect. Off et al., in fact, teaches away from the invention recited in claims 15 and 16 in that no identification of the customer is made or required in the system disclosed by Off et al. The response return point described by the examiner does not identify any individual customer by an identification code. Therefore, the subject matter recited in claims 15 and 16 clearly patentably distinguishes over the applied references.

For the reasons stated above, the applied references, whether considered alone or in combination, fail to teach or suggest the subject matter defined by claims 15 and 16.

## **2. Claims 10, 11, and 14**

Claims 10, 11, and 14 stand rejected under 35 USC 103(a) as being unpatentable over Creekmore in view of Off et al. in further view of Tai (U.S. patent No. 4,908,7610).

On page 6 line 19-page 7 line 9 of the outstanding office action, the examiner states:

Creekmore in view of Off et al. discloses the claimed invention, as discussed above, except for the response being related to the individual customer's transaction data in shopping visits prior to the current shopping visit. Tai discloses that it is known to provide the response being related to the individual customer's transaction data in shopping visits prior to the current shopping visit, as set forth at column 3, lines 18-50. It would have been obvious to one skilled in

the art, at the time the invention was made to modify the teachings of Creekmore in view of Off et al., by providing the response being related to the individual customer's transaction data in shopping visits prior to the current shopping visit, as taught by Tai in order to allow effective present time marketing by offering shoppers instantaneous promotional offers while actively shopping.

The subject matter defined by claims 10, 11, and 14 is not taught or suggested by the applied references for at least the following reasons.

Contrary to the examiner's assertions, the combination of Creekmore in view of Off et al. does not disclose the claimed invention except for the response being related to the individual customer's transaction data in shopping visits prior to the current shopping visit. As pointed out above with respect to claims 15 and 16, neither Creekmore nor Off et al. teaches or suggests entering in the customer identification code from customer identification presented at the point-of-sale in a retail transaction. Thus, neither Creekmore nor Off et al., nor the combination thereof, teaches or suggests either (1) the step of creating a database or (2) the step of generating a customer information response as recited in claims 10 and 11. Tai fails to make up for the deficiencies in Creekmore and Off et al. That is, the system disclosed in Tai relates to a survey of prospective customers in an attempt to determine which of heaviest product purchasers regularly use coupons that are mailed by or on behalf of a retail establishment to its prospective customers. (See column 3 lines 13-16.) The coupons mailed to the prospective customers include an encoding device that may be applied by the customer to the coupon. The encoding device has incorporated therein or thereon the name and address of the prospective customer in machine readable form. Therefore, when the customer returns the coupon, the retail

establishment can identify the customer that returned the coupon. The system has nothing to do with the customer's prior shopping history. That is, the customer that returns the encoded coupon may never have been in the store before and may never come back again. Thus, contrary to the examiner's assertions, Tai does not teach or suggest providing a response being related to the individual customer's transaction data in shopping visits prior to the current shopping visit.

On page 13 lines 12-18 of the outstanding office action, the examiner states:

Applicants argue that Off et al. does not include the use of a unique identification code for a customer at the point of sale. Examiner disagrees. The disclosed response return point with respect to file access request disclosed at columns 9 & 10, inherently meets the independently claimed unique identification code for each shopper because each shopper's transaction is unique as reported at the disclosed response return point. Examiner considers the independently claimed use of a unique identification code for a customer to be equivalent to the disclosed response return point taught in the prior art.

Applicants disagree with the examiner's contention that the response return point in the Off et al. system corresponds to the independently claimed unique identification code recited in claims 10, 11, and 14 for the reasons stated above with respect to claims to 15 and 16. Off et al. clearly doesn't teach or suggest entry of a unique identification code for each shopper as asserted by the examiner.

On page 14 lines 1-8 of the outstanding office, the examiner states:

Applicants also argue neither Creekmore nor Off et al. teaches or suggests

either (1) the step of creating a database or (2) the step of generation a customer information response as independently claimed and that Tai fails [to] make up [for] the deficiencies of Creekmore and Off et al. Examiner disagrees. Tai teaches consumer promotional response patterns at column 3 under the summary of the invention. This teaching is equivalent to the claimed response relation to individual customer transaction data in shopping visits prior to the current shopping visit, because coupon redemption directly measures response in customers subsequent visits which is precisely what is claimed by the applicants.

Applicants continue submit that Tai fails to make up for the deficiencies in Creekmore and Off et al. with respect to the subject matter recited in claims 10, 11, and 14. Applicants submit that the system disclosed in Tai has nothing to do with shopping visits prior to the current shopping visit since that system merely involves the mass mailing of coupons to prospective customers. The prospective customer may never have been in the store before presenting the coupon received in the mail, and he or she may never come back again. This point is clear from the disclosure in Tai at column 3 lines 36-50.

Accordingly, the subject matter in claims 10, 11, and 14 would not have been obvious from the applied references.

### **3. Claims 17-32**

Claims 17-32 stand rejected under 35 USC 103(a) as being unpatentable over Creekmore in view of Off et al. in view of Tai in further view of Bigari.

On page 7 lines 11-18 of the outstanding office action, the examiner states:

Creekmore in view of Off et al. in view of Tai discloses the claimed invention except for the dollar amount and time of purchase. Bigari discloses that it is known to provide a step of manipulating the dollar amount and time of purchase, as set forth at column 8, beginning with line 39. It would have been obvious to one skilled in the art, at the time the invention was made to modify the teachings of Creekmore in view of Off et al. in view of Tai, by providing a step of manipulating the dollar amount and time of purchase, as taught by Bigari in order to more effectively target consumers while shopping for promotional offers designed by marketing agencies.

The subject matter defined by claims 17-32 would not have been obvious from the applied references for at least the following reasons.

First, the examiner has not explained how he is applying any of Creekmore , Off et al. or Tai to claims 17-32. None of those references teaches or suggests (1) the structure recited in claim 17 of a computer implemented system providing a signal at a point-of-sale depending upon a customers shopping history and comprising a terminal for entering, during a transaction, a unique customer identification or (2) a database storing transaction data from prior transactions for a plurality of customers, such that data regarding a customer's prior transactions are stored in association with an identification of that customer. Likewise, those references fail to teach or suggest the remaining structure set forth in claim 17.

Claim 22 recites a computer implemented method which parallels apparatus claim 17. Just as the structure recited in claim 17 is not taught or suggested by the combination of Creekmore, Off et al., and Tai, the steps recited in claim 22 are not taught or suggested by those

references.

Bigari fails to make up for the deficiencies of the other three references. In addition, contrary to the examiner's assertions, Bigari does not disclose that it is known to provide a step of manipulating the dollar amount and time of purchase. The system disclosed by Bigari merely provides for the production of a voucher indicating the maximum charge amount that may be used to purchase goods or services from the merchant (see column 6 line 64-column 7 line 6.)

The discussion in column 8 starting at line 39, referred to by the examiner, has nothing to do with the customers prior purchasing transactions. That disclosure merely relates to a situation where the customer must remove some of the items from his shopping basket because the dollar amount of the goods in the shopping basket exceeds the maximum amount of the voucher.

On page 14 line 10-page 15 line 3 of the outstanding office action, the examiner states:

Applicants argue that Creekmore in view of Off et al. in view of Tai in further view of Bigari do not teach or suggest (1) the structure of a computer implemented system providing a signal at a point of sale depending upon a customer[']s shopping history and comprising a terminal for entering, during a transaction, a unique customer identification or (2) a database storing transaction data from prior transactions for a plurality of customer[s], such that data regarding a customer[']s prior transactions are stored in association with an identification of that customers [sic; customer]. Examiner disagrees. Each of the key elements claimed in applicants' claims 10, 11, 14, 15, and 16 are essentially the same key elements as those recited in claims 17-32. Examiner considers the method claims



10, 11, 14, 15, and 16 to be coextensive and not patentably distinct from apparatus (method) claims 17-32. Since both sets of claims are coextensive, the same prior art can be used to obviate the method steps as well as the apparatus features.

Examiner considers Creekmore in view of Off et al. in view of Tai in further view of Bigari to obviate the claimed invention as discussed above under obviousness rejection of claims 10, 11, & 14 and the rejection above.

The examiner's argument concedes that if the board reverses the rejections of claims 15 and 16 over Creekmore in view of Off et al. and/or the rejection of claims 10, 11, and 14 over Creekmore in view Off et al. in view of Tai, the rejection of claims 17-32 is improper, and it should be reversed.

On page 15 lines 4-9 of the outstanding office action, the examiner states:

Applicant further argues that Bigari fails to disclose the the step of manipulating dollar amount and time of purchase. Examiner disagrees. Dollar amount and time directly correlate to "cash register," "purchase finalization," and "periodic intervals" since these terms disclosed in Bigari at column 8 will inherently manipulate dollar amount and time of purchase and are equivalent to the claimed invention. Examiner considers Bigari to teach equivalent dollar amount and time of purchase.

The last limitation in claim 17 recites "wherein said customer information response signal depends upon data stored in said database indicating dollar amount of at least one prior purchase associated with said unique customer identification." Claims 18-21 depends from claim 17. The

last limitation in claim 22 recites “wherein said customer information response signal depends upon data stored in said database indicating dollar amount of at least one prior purchase associated with said unique customer identification.” Claims 23-26 depends from claim 22. The last limitation in claim 27 recites “circuitry responsive to the entry of said unique customer identification and said transaction data at said terminal for updating transaction data and a dollar amount of purchases associated with said unique customer identification in said customer database.” Claims 28 and 29 depends from claim 27. The last limitation in claim 30 recites “updating transaction data and a dollar amount of purchases associated with said unique customer identification and said customer database in response or entry of said unique customer identification and said transaction data at said terminal.” Claims 31 and 32 depend from claim 30. As previously stated, Bigari points out in column 6 line 64-column 7 line 6 that the system disclosed therein provides a voucher to the customer indicating the maximum charge amount that may be used to purchase goods or services from the merchant. Thus, Bigari does not teach or suggest the subject matter recited in independent claims 17, 22, 27, and 30 referred to above. Therefore, claims 17-32 patentably distinguish over the prior art not only for the reasons stated above with respect to claims 10, 11, 14, 15, and 16, but for the additional reasons that Bigari fails to make up for the deficiencies of the other references, and it does teach or suggest the added limitations relating to time period and dollar amount set forth in claims 17-32.

Moreover, the references fail to disclose or suggest all elements of the independent claims and further fail to suggest in addition the dollar amount of a plurality of prior purchases (claims 18 and 23), the frequency of prior purchases (claims 19 and 24), the transaction frequency and dollar amount (claims 21 and 26), the transaction date (claim 29), the transaction date and dollar amount (claim 30), and the date (claim 32).

**E. 37 CFR 1.192(c)(v)-OTHER REJECTIONS**

**1. 35 USC 101**

Claims 33-39 stand rejected under 35 USC 101 because the claimed invention is directed to non-statutory subject matter. This rejection is clearly untenable, and it should be reversed.

With respect to a rejection under 35 USC 101, the Supreme Court held in Diamond v. Chakrabarty, 447 U.S. 303, 308-09, 206 USPQ 173, 197 (1980) that:

In choosing such expansive terms as “manufacture” and “composition of matter,” modified by the comprehensive “any,” Congress plainly contemplated that the patent laws would be given wide scope.

The relevant legislative history also supports a broad construction. The Patent Act of 1793, authored by Thomas Jefferson, defined statutory subject matter as “any new and useful art, machine, manufacture, or composition of matter, or any new or useful improvement [thereof].” Act of Feb. 21, 1793, ch. 11 § 1, 1 Stat. 318. The Act embodied Jefferson’s philosophy that “ingenuity should receive a liberal encouragement.” V Writings of Thomas Jefferson, at 75-76. See *Graham v. John Deere Co.*, 383 U.S. 1, 7-10, 148 USPQ 459, 462-464 (1966). Subsequent patent statutes in 1836, 1870 and 1874 employed this same broad language. In 1952, when the patent laws were recodified, Congress replaced the word “art” with “process,” but otherwise left Jefferson’s language intact. The Committee Reports accompanying the 1952 act inform us that Congress intended statutory subject matter to “include anything under the sun that is made by man.” S. Rep. No. 1979, 82d Cong., 2d Sess., 5 (1952); H. R. Rep. No. 1923, 82d Cong.,

2d Sess., 6 (1952). (Citation omitted.)

All that is required to satisfy 35 USC 101 is that the invention provide a useful, concrete and tangible result. State Street Bank and Trust Co. v. Signature Financial Group Inc., 149 F.3d 1368, 1373, 47 USPQ2d 1596, 1601-02 (Fed. Cir. 1998) and AT&T Corp v. Excel Communications, 172 F.3d 1352,1358, 50 USPQ2d 1447, 1452 (Fed. Cir. 1999).

On page 2 lines 16-page 3 line 4 of the outstanding office action, the examiner states:

The independently claimed invention recites stored transaction data which does not produce a useful, concrete or tangible result under *In re Alappat*, 31 USPQ2d 1545, 1558 (Fed. Cir. 1994) and *State Street Bank & Trust Co. v. Signature Financial Group, Inc.*, 47 USPQ2d 1596, 1601-02 (Fed. Cir. 1998).

The recited stored transaction data does not provide a function which would result in a useful, concrete, or tangible result such that the inventor may be entitled to a patent. Examiner bases further art rejections on the assumption that the claims are statutorily permitted.

Claims 33-39 are patentable under 35 USC 101 for at least the following reasons,

Independent claim 33 clearly complies with 35 USC 101 in that it provide a useful, concrete, and tangible result of providing a computer implemented customer database comprising stored transaction data including dollar amount of purchases and time period regarding a customer's prior transactions in association with an identification of a customer. These claims define a statutory novel composition of matter whose utility resides in the ability of an associated digital computer system to retrieve representations of the data and the associations between the data stored therein to perform the credit verification and marketing functions disclosed in the

application. Thus, the computer implemented customer database is clearly useful to the merchant, and its disclosed uses are useful, concrete, and tangible, being for credit determination and targeted customer marketing.

Claim 34 is also directed to a computer implemented customer database comprising stored transaction data including total amount of purchases purchased during a period of time associated with an identification of a customer. Thus, the computer implemented customer database recited in claim 34 also provides a useful, concrete, and tangible result. Claims 35-39 depends directly or indirectly from claim 34. Therefore, those claims comply with the requirement of 35 USC 101 for the reasons stated above with respect to claim 34.

## **2. Double Patenting**

Claims 8, 9, 12, and 13; claims 10,11, and 14; claims 15 and 16; claims 17-32; and claims 33-39 stand rejected on the ground of obviousness-type double patenting over the claims of various patents as noted below. These rejections are untenable, and they should be reversed.

As pointed out in the MPEP Section 804, page 800-22, 8<sup>th</sup> Edition August 2001:

A double patenting rejection of the obviousness-type is “analogous to [a failure to meet] the nonobviousness requirement of 37 U.S.C. 103" except that the patent principally underlying the double patenting rejection is not considered prior art. *In re Braithwaite*, 379 F.2d 594, 154 USPQ 29 (CCPA 1967). Therefore, any analysis employed in an obviousness-type double patenting rejection parallels the guidelines for analysis of a 35 U.S.C. 103 obviousness determination. *In re Braat*, 937 F.2d 589, 19 USPQ2d 1289 (Fed. Cir. 1991); *In re Longi*, 759 F.2d 887, 225 USPQ 645 (Fed. Cir. 1985).

As further pointed out in the MPEP Section 804, pages 800-26 and 800-27, 8<sup>th</sup> Edition August 2001, the rationale in In re Schneller, 397 F.2d 350, 158 USPQ 210 (CCPA 1958) is limited to its specific facts. See also Ex parte Davis, 56 USPQ2d 1434, 1436 (PTOBPAI 2000) (non-precedential) (Stoner, chief administrative patent judge, and Harrison and Nase, administrative patent judges) .

**A. Claims 8, 9, 12, and 13**

Claims 8, 9, 12, and 13 stand rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claim 23 of U.S. patent No. 5,305,196.

On page 8 lines 4-6 of the outstanding office action, the examiner states:

Although the conflicting claims are not identical, they are not patentably distinct from each other because it would be obvious to add a terminal for a check transaction processing, database building and marketing method and system utilizing automatic check reading.

Claims 8, 9, 12 and 13 would not have been obvious from claim 23 of the '196 patent. Claims 23 of the '196 patent relates to a system for creating a non-customer database for use in marketing ('196 patent at column 80 lines 9-10). The system defined by claim 23 of the '196 patent does not includes means or a terminal for entering customer transaction data at the point-of-sale in the retail establishment; it does not have (1) a processor and a memory responsive to the apparatus for entering unique identification codes or (2) the terminal for entering customer transaction data for creating a database of a plurality of the retail establishment's customers'

transaction data from prior shopping visits; nor does it have circuitry responsive to said processor, memory, and database for generating a customer information response signal at the point-of-sale during said individual customer's transaction in said retail establishment upon detection of a unique identification code of said individual customer, said signal being related to said individual customer's transaction data in shopping visits prior to the current shopping visit as recited in claims 8 and 12 or the corresponding limitations in claims 9 and 13. Accordingly, applicants submit that the subject matter recited in claims 8, 9, 12, and 13 would not have been obvious from the subject matter defined in claim 23 in the '196 patent.

On page 15 line 11-page 16 line 8 of the outstanding office action, the examiner states:

Applicants argue that applicants' earlier patent does not include means or a terminal for entering customer transaction data at the point of sale in the retail establishment and does not have (1) a processor and a memory responsive to the apparatus for entering unique identification codes or (2) the terminal for entering customer transaction data for creating a database of a plurality of the retail establishment's customers' transaction data from prior shopping visits nor does it have circuitry responsive to said processor, memory, and database for generating a customer information response signal at the point of sale during the individual customer's transaction. Examiner disagrees. The elements recited in the present application are obvious modifications to elements already patented by the applicants. The patented device, memory, and circuitry system elements are obvious variations of the (1) processor and a memory responsive to the apparatus for entering unique identification codes or (2) the terminal for entering customer

transaction data for creating a database of a plurality of the retail establishment's customers' transaction data from prior shopping visits nor does it have circuitry responsive to said processor, memory, and database for generating a customer information response signal at the point of sale during the individual customer's transaction. Examiner considers the presently claimed invention contains features that are obvious variations of the patented claim system features and maintains the obviousness-type double patent rejection.

The examiner merely concludes that "the elements recited in the present application are obvious modifications to the elements already patented by the applicants." The examiner's conclusion fails to specifically address the actual rejection under consideration--namely, why the subject matter recited in claims 8, 9, 12, and 13 would have been obvious to one having ordinary skill in the art from the subject matter of claim 23 of the '196 patent. That is, the patent is not prior art with respect to claims 8, 9, 12 and 13. The burden is on the examiner to show that the subject matter in those claims would have been obvious to one having ordinary skill in the art from the subject matter in claim 23 of the patent, which constitutes the sole ground for the rejection. The examiner has failed carry that burden.

**B. Claims 10, 11, and 14**

Claims 10, 11, and 14 stand rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 18 and 26 of U.S. Patent No. 5,201,010 in view of Tai.

On page 8 lines 8-11 of the outstanding office action, the examiner states:



It would have been obvious to one skilled in the art to add the feature of a response being related to the individual customer's transaction data in shopping visits prior to the current shopping visit in order to allow effective present time marketing by offering shoppers instantaneous promotional offers while actively shopping.

Claims 10, 11, and 14 are not unpatentable under the judicially created doctrine of obviousness-type double patenting over claim 18 and 16 of U.S. Patent No. 5,201,010 for at least the following reasons.

As recognized by the examiner, claims 18 and 26 of the '010 patent do not teach or suggest the step in rejected claim 10 of generating a customer information response in which the response signal is related to the individual customer's transaction data in shopping visits prior to the current shopping visit. Tai fails to make up for the deficiencies in claims 18 and 26 of the '010 patent. That is, the system disclosed in Tai relates to a survey of prospective customers in an attempt to determine which of the heaviest product purchasers regularly use coupons that are mailed by or on behalf of a retail establishment to its prospective customers. (See column 3 lines 13-16.) The coupons mailed to the prospective customers include an encoding device that may be applied by the prospective customer to the coupon. The encoding device has incorporated therein or thereon the name and address of the prospective customer in machine readable form. Therefore, when a coupon is returned, the retail establishment can identify the customer that returned the coupon. The system has nothing to do with a customer's prior shopping history. That is, the customer that returns the encoded coupon may never have been in the store before and may never come back again. Thus, contrary to the examiner's assertions, Tai does not teach

or suggest providing a response related to the individual customer's transaction data in shopping visits prior to the current shopping visit. Accordingly, the subject matter in claims 10, 11, and 14 would not have been obvious from claims 18 and 26 of the '010 patent in view of Tai.

**C. Claims 15 and 16**

Claims 15 and 16 stand rejected under the judicially created doctrine of double patenting over claim 12 of U.S. patent No. 5,659,469 since the claims, if allowed, would improperly extend the "right to exclude" already granted by the patent.

On page 11 lines 4-10 of the outstanding office action, the examiner states:

The subject matter claimed in the instant application is fully disclosed in the patent and is covered by the patent since the patent and the application are claiming common subject matter, as follows: the entering steps, the generating and maintaining steps, and the responding steps.

Furthermore, there is no apparent reason why applicant was prevented from presenting claims corresponding to those of the instant application during prosecution of the application that matured into a patent. See *In re Schneller*, 397 F.2d 350, 158 USPQ 210 (CCPA 1968). See also MPEP § 804.

Claims 15 and 16 would not have been obvious from the subject matter in claim 12 of the '469 patent. Claim 12 of the '469 patent does not recite the step of entering into said terminal data relating to the customer's shopping transaction. Claim 12 of the '469 patent does not recite the step of generating and maintaining a database. Moreover, claim 12 of the '469 patent does not recite the step of responding to entries, during a current transaction, of said unique

identification code for a customer by analyzing said transaction data of the customer. The steps recited in claim 12 of the '469 patent include (1) detecting the machine readable product codes, (2) storing a plurality of customers unique identification codes, (3) applying a value determination to determine the value for a sale promotion, (4) generating incentive signals for different individual customers, and (5) dispensing a sales promotion on a specific product item to said customers. Accordingly, the steps recited in claim 15 would not have been obvious to one having ordinary skill in the art from the steps recited in claim 12 of the '469 patent.

Claim 16 includes a step of entering into a point-of-sale terminal an account number from a payment instrument presented by a customer. That step is clearly not taught or suggested by claim 12 of the '469 patent. The second entering step and the step of generating and maintaining a database set forth in claim 16 are not taught or suggested by claim 12 of the '469 patent for the reasons stated above with respect to claim 15. The last step in claim 16 recites "using said database to effect customer services which include targeted marketing and/or promotions..." and that step is not taught or suggested by claim 12 of the '469 patent.

At page 16 line 10-15 of the outstanding office action, the examiner states:

Applicants argue that their earlier patent does not recite the step of entering into a terminal data relating to customer shopping transaction. Examiner disagrees. The patented claim step of "entering a plurality of customers' unique identification codes at the point of sale in the retail establishment" is equivalent to the step of entering into the terminal data relating to the customer shopping transaction. Examiner considers the patented claim step and the application claim step to be equivalent and maintains the double patenting rejection of claim 15.

The examiner's argument concedes that claim 12 of the '469 patent does not include the step of entering into said terminal transaction data relating to the customers shopping transactions as recited in claim 15. The step of entering a plurality of customers' unique identification codes set forth in claim 12 of the '469 patent, referred to by the examiner, corresponds to the step of entering into a point-of-sale terminal a unique identification code for a customer in claim 15. The customer's identification code has no relationship to the data relating to the customer's shopping transactions. Therefore, the examiner's contention that the steps are equivalent is considered incorrect and not relevant.

On page 16 line 16-page 17 line 5 of the outstanding office action, the examiner states:

Applicants further argue that their earlier patent does not recite the step of generating and maintaining a database. Examiner disagrees. The patented claim step of "generating incentive signals for different individual customers, said incentive signals designating a sales promotion on a specific product item for a plurality of individual customer's transactions in prior shopping visits, said incentive signal also designating different values for a plurality of customers for said sales promotion on said specific products in dependence upon said value determination" is equivalent to the step of generating and maintaining a database. Examiner considers the patented claim step and the application claim step to be equivalent and maintains the double patenting rejection of claim 15.

Applicants disagree with the examiner's contention that the step of generating incentive signals for different individual customers recited in claim 12 of the '469 patent corresponds to

the step in claim 15 of generating and maintaining a database, including the step of correlating said transaction data with said unique identification code. The step relied upon in claim 12 of the '469 patent is clearly not the same step recited in claim 15. Moreover, applicants submit that the step of generating and maintaining a database as recited in claim 15 would not have been obvious to having ordinary skill in the art from the step of generating incentive signals for different individual customers as set forth in claim 12 of the '469 patent. That is, the step relied on by the examiner in claim 12 of the '469 patent has nothing to do with the step of generating and maintaining a date base as recited in claim 15.

On page 17 lines 6-16 of the outstanding office action, the examiner states:

Applicants also argue that their earlier patent does not recite the step of responding to entries, during a current transaction, of [a] unique identification code for a customer analyzing transaction data of the customer. Examiner disagrees. The patented claim step of “dispensing a sales promotion on a specific product item to said customers, said sales promotion related to the product items detected in individual customers’s transactions in prior shopping visits and the value of said sales promotion on a specific product based on value determination for said individual customer, such that different sales promotions can be delivered to customers with different purchase volumes and different product detection” is equivalent to the step of responding to entries, during a current transaction, of unique identification code for a customer analyzing transaction data of the customer. Examiner considers the patented claim step and the application claim step to be equivalent and maintains the double patenting rejection of claim 15.

The responding to entry step as recited in claim 15 does not involve dispensing a sales promotion as recited in claim 12 of the '469 patent. The responding to entry step recited in step 15 includes the step of supplying said response to said terminal during said current transaction in which said identification code is entered. Thus, responding to entry step as recited in claim 15 does not involve dispensing a sales promotion on a specific product item to the customer, and applicants submit that the responding to entry step as recited in claim 15 would not have been obvious from claim 12 of the '469 patent.

On page 17 line 17-page 18 line 4 of the outstanding office, the examiner states:

Applicants finally argue that their earlier patent does not recite the step of entering into a point of sale terminal an account number from a payment instrument presented by a customer. Examiner disagrees. The patented claim step containing transaction data entry of "customers' unique identification codes" is equivalent to the step of entering into a point of sale terminal an account number from a payment instrument presented by a customer because the broader patented claim encompasses the subject matter of the presently claimed payment step since both are inherently equivalent. Examiner considers the patented claim step and the application claim step to be equivalent and maintains the double patenting rejection of claim 16.

The examiner concedes that claim 12 of the '469 patent does not recite the step of entering into a point-of-sale terminal and account number from a payment instrument presented by a customer as recited in rejected claim 16. Applicants submit that the specific recitation in

claim 16 would not have been obvious from claim 12 of the '469 patent. Moreover, claim 16 patentable distinguishes over claim 12 of the '469 patent for the reasons stated above with respect to claim 15.

Applicants further note that the examiner bases the double patenting rejection of claims 15 and 16 on the rationale set forth in In re Schneller, 397 F.2d 350, 158 USPQ 210(CCPA 1968) and MPEP § 804. Applicants note that the MPEP on pages 800-26 - 800-27, 8<sup>th</sup> Edition, August 2001, points out that the decision In re Schneller is limited to the particular set of facts set forth therein, and that non-statutory double patenting rejections based on Schneller “**will be rare.**” (Page 800-27 left hand column). The steps in claims 15 and 16 do not parallel the steps in claim 12 of the '469 patent, and therefore the rationale in the Schneller case does not apply to the rejections of claims 15 and 16.

#### **D. Claims 17-32**

Claims 17-32 stand rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 1 and 3 of the US patent No 5,529,560 [sic; 5,592,560].

On page 9 lines 6-9 of the outstanding office action, the examiner states:

Although the conflicting claims are not identical, they are not patentably distinct from each other because it would have been obvious to one skilled in the art to claim broader subject matter than what is claimed in applicants issued patent for an extension of patent rights.

Claims 17-32 would not have been obvious from claims 1 and 3 from U.S. patent No.

5,592,560. The examiner's brief statement does not explain how the limitations in claims 17-32 would have been rendered obvious to one having ordinary skill in the art in view of the subject matter in claims 1 and 3 of the '560 patent. In fact, the system recited in independent claim 17 includes a terminal for entering, during a transaction, the unique customer identification. On the other hand, claim 1 of the '560 patent recites a terminal for entering selected indicia from identification presented by the customer in order to generate a unique identification code. Therefore, the terminal recited in claim 17 performs a different function from the terminal recited in claim 1 of the '560 patent.

Moreover, those claims variously define dollar amount of a plurality of prior purchases (claims 18 and 23), the frequency of prior purchases (claims 19 and 24), the transaction frequency and dollar amount (claims 21 and 26), the transaction date (claim 29), the transaction date and dollar amount (claim 30), and the date (claim 32), which further distinguish those claims over the subject matter of defined by claims 1 and 3 of the '560 patent.

Claim 22 is the method analog of claim 17.

In independent claim 27, the function of the circuitry recited is required to respond to the entry of the unique customer identification and the transaction data at the terminal for updating transaction data and dollar amount of purchases associated with the unique customer identification in the customer database. This function is not taught or suggested by claims 1 and 3 of the '560 patent.

On page 18 lines 6-page 20 line 8 of the outstanding office action, the examiner states:

Applicants argue a functional difference between the terminal and circuitry



of patented claim 1 and the terminal of application claim 17. Patented claim 1 recites “a terminal for entering selected indicia from identification presented by customers at a point-of-sale in order to generate a unique identification code for each customer,” while application claim 17 recites “a terminal, for entering, during a transaction, a unique customer identification.” Patented claim 1 also recites “circuitry responsive to said processor and said database for dispensing a sales promotion at the point-of-sale during a customer’s checkout to said customers who meet said predetermined infrequent product purchase history criteria, wherein said sales promotion is for a product previously infrequently purchased and is redeemable at a further visit such that said customers are incented to return to the retail establishment to purchase said previously infrequently purchased product in a further transaction,” while application claim also 17 recites “circuitry responsive to the entry of said unique customer identification at said terminal during said transaction for transmitting to said point-of-sale during said transaction a customer information response signal.” Examiner considers both sets of functions equivalent since both terminals allow customer identification data entry and both circuitries are responsive to unique customer identification data. The terminals are equivalent because patented claim 17 allows unique identification of a present shopping visit. Both identify a customer because under the patented claim, data from a customer’s prior shopping history can not be compared to a present shopping visit unless the customer identification were entered. Inherently, both circuitry features are equivalent. Applicants further argue that the patented claim recites a reader and processor that

is not recited in the application claim. It would be an inherent function to use a reader and processor in the application claim because the specification supports a reader and processor to perform the claimed functions and applicant has not recited steps or features contrary to the specified a reader and a processor. Under the doctrine of equivalents, the essential objective inquiry is: “Does the accused product or process contain elements identical or equivalent to each claimed element of the patented invention?” Warner-Jenkinson Co. v. Hilton Davis Chemical Co., 41 USPQ2d 1865, 1875 (1997). In determining equivalence, “[a]n analysis of the role played by each element in the context of the specific patent claim will thus inform the inquiry as to whether a substitute element matches the function, way, and result of the claimed element, or whether the substitute plays a role substantially different from the claimed element.” Using the objective Warner-Jenkinson Co. Inquiry, examiner finds equivalent elements with respect to terminal function and the circuitry function. In summary, examiner considers patented claim 1 to encompass the subject matter contained in application claims 17-21. The terminal and circuitry of the patented claim is recited broadly enough to encompass the terminal and circuitry of the application claim. Examiner considers the subject matter of both claims equivalent and perform the same function as discussed above. Similarly, the method claim of application claim 22 is co-extensive to apparatus application claim 17 for the same reasons discussed, the apparatus claims 22-26 are rejected under the judicially created doctrine of obviousness-type double patenting.

The examiner contends that the functions performed by the elements in claim 17 are equivalent to the function performed by the elements recited in claim 1 of the '560 patent. Applicants note, however, that the test is whether or not claim 17 would have been obvious from claim 1 of the '560 patent. Therefore, the test is basically the same as the test for obviousness under 35 USC 103. Accordingly, the examiner arguments concerning the equivalents are deemed to be misplaced. For example, a safety pin may be considered equivalent to a Velcro fastener but that does not mean that a safety pin would be obvious from a Velcro fastener or vice versa. In re Ruff, 256 F.2d 590, 597, 118 USPQ 340, 347 (CCPA 1958). Applicants have pointed out that the elements recited in claim 17 differ from the elements recited in claim 1 of the '560 patent. The examiner has not shown that the elements recited in claim 17 would have been obvious from the elements recited in claim 1 of the '560 patent. Likewise, the steps recited in claims 22-26 perform different functions than the elements recited in claim 1 of the '560 patent, and the examiner has failed to show that those steps would have been obvious from the claim 1 of the '560 patent.

On page 20 lines 9-15 of the outstanding office action, the examiner states:

Applicants further argue that applicant claims 27-32 are patentably distinct from patented claim 1 and 3 for similar reasons argued with respect to claims 17-26. Examiner disagrees. The structure and steps in the patented claims are expressly and inherently equivalent to the application claims as discussed above. The patented claims are broad enough to encompass the subject matter presently claimed. Because the present claims have been patented by applicants, examiner maintains the rejection under the judicially created doctrine of obviousness-type

double patenting.

Again, the examiner argues that the subject matter recited in claims 27-32 is equivalent to the subject matter recited in the patented claims. As noted above, the examiner has not explained why the subject matter in claims 27-32 would have been obvious to one having ordinary skill in the art from the subject matter in claims 1 and 3 of the '560 patent.

**E. Claims 33-39**

Claims 33-39 stand rejected under the judicially created doctrine of double patenting over claims 1, 2, and 3 of US patent No. 5,592,560.

On page 9 line 13-page 10 line 2 of the outstanding office action, the examiner states:

The subject matter claimed in the instant application is fully disclosed in the patent and is covered by the patent since the patent and the application are claiming common subject matter, as follows: the claimed dollar amount and purchased time.

With respect to the meaning of infrequency defined by claims in the '560 patent, that patent teaches that "infrequency" means that there is no record of the customer having shopped in the corresponding retail store. Specifically, the '560 patent recites in its targeted marketing section 5.2 that:

In summary, it may be seen that the technique of FIGS. 14A and B provides a method for retail store marketing which begins with the stored database of existing customers of the retail store which has been accumulated in the manner previously described. The database includes each customer's checking account identification number for use as a unique customer identification code, along with additional customer identification data such as home address,

telephone number and the like. Each time a retail customer enters the retail store and makes a purchase, the unique customer identification code of the customer is detected by the present system. Comparison is made of each entered unique customer identification code with the stored database. A list of prospective customers of the retail store in a predetermined geographical area is obtained through conventional sources and is stored in the host processor 110. Comparison is made of the stored database with the list of prospective customers. All data is eliminated from the list of prospective customers which relates to information contained in the stored database, such that a non-customer database is produced which contains data relating only to prospective customers who do not appear on the stored database.

The present system generates a non-customer database which would allow the mailing of advertising material in a geographic area to customers who have not previously shopped, or who have infrequently shopped at the retail store.

See the '560 patent column 60 line 46-column 61 line 5.

Independent claim 33 would have not been obvious from claims 1, 2, and 3 of the '560 patent because claims 1, 2, and 3 of the '560 patent are directed to a system for dispensing a sales promotion at the point-of-sale to people who meet a predetermined infrequent product purchasing history criteria, which defines people for which no customer shopping record exists in the store's database whereas claim 33 is drawn to a computer implemented customer database. The computer implemented customer database recited in claim 33 stores transaction data with respect to the customer's prior transactions including (1) dollar amount of purchases and (2) time period. On the other hand, claims 1, 2, and 3 of the '560 patent are directed to a system for targeted marketing based upon products previously infrequently purchased by a customer in prior transactions. Claims 1, 2, and 3 in the '560 patent define a database storing "data relating to ...products previously purchased... including [data indicating] products previously infrequently purchased" (claim 1); "number of products purchased... over a ... specified time period" (claim 2); and "dollar amount of products previously purchased" (claim 3). Thus, these claims do not

define either rejected claim 33's "dollar amounts of purchases" or "time period." Thus, there is no substantial evidence supporting this rejection. Therefore, the subject matter in claim 33 is not taught or suggested from the subject matter in claims 1, 2, and 3 of the '560 patent.

Independent claim 34 distinguishes over claims 1, 2, and 3 of the '560 patent for the reasons stated above with respect to claim 33. In addition, 34 specifically recites that the transaction data include the total dollar amount of purchases purchased during a time period associated with an identification of a customer. There is no teaching or suggestion of that recitation in claims 1, 2, and 3 of the '560 patent. That is, claims 1, 2, and 3 of the '560 patent are directed to a system for processing data related to products infrequently purchased.

Claims 35-39 depends from claim 34. Accordingly, those claims patentably distinguish over claims 1, 2, and 3 of the '560 patent for the reasons stated above with respect to claim 34. Moreover, each of those claims contains additional limitations (specific time periods in claims 35, 38, 39, number of transactions in claim 36, and frequency of transactions in claim 37 and 38.) which further patentably distinguish over claims 1, 2, and 3 of the '560 patent.

On page 20 line 17-page 21 line 11 of the outstanding office action, the examiner states:

Applicants argue that claims 33-39 are directed to different subject matter [than] that of patented claims 1-3. Specifically applicants argue that claim 34 recites transaction data which includes the total dollar amount of purchases during a time period associated with an identification of a customer. Patented claim 2 recites "number of products purchased by the customer in the retail establishment over a specified time interval" and patented claim 3 recites "dollar amount of the product previously purchased." Examiner considers the claims of the prior patent

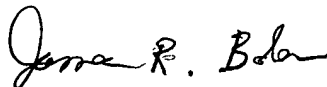
in making a double patenting rejection. Although applicants allege that the subject matter may be different, if each of the features of the claims are equivalent with the same function, examiner finds a double patenting rejection to be proper. Furthermore, examiner considers the patented claims to expressly recite the same subject matter as found in the prior patented claims. Because the examiner considers the claims in making a double patenting rejection, the rejection under the judicially created doctrine of obviousness-type double patenting is maintained. The rejection in question was made under *In re Schneller*, 397 F.2d 350, 158 USPQ 210 (CCPA 1968). Please see MPEP § 804 for guidelines in examiner's use of this rejection.

Again, the examiner asserts the subject matter in claims 33-39 is equivalent to the subject matter in claim 1-3 in the '560 patent. Appellants note that claims 33-39 are directed to a computer implemented customer database, whereas claims 1-3 of the '560 patent are directed to a system for performing a targeted marketing on customers in a retail establishment. Moreover, the data stored in the database defined in claims 1-3 in the '560 patent is distinct from the data stored by the database defined by claims 33-39, for reasons just presented. Thus, the subject matter of the claims 33-39 is clearly different from the subject matter of claims 1-3 of the '560 patent, and the examiner has failed to show that the subject matter defined by claims 33-39 would have been obvious from claims 1-3 of the '560 patent. In support of this rejection, the examiner again cites *In re Scheller, supra*. Since these claims are not genus species, and they are not admitted as defining a best mode, *Schneller* is inapplicable.

## IX. CONCLUSION

Claims 8-39 clearly patentably distinguish over the prior art and are not unpatentable on the ground of double patenting. Claims 33-39 are not unpatentable under 35 USC 101. Accordingly, it is respectfully requested that all of the rejections still pending in the outstanding office action be reversed.

Respectfully submitted,



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APPENDIX I

CLAIMS ON APPEAL

8. A system for accumulating customer transaction data at the point-of-sale in a retail establishment and for effectuating customer promotion on the basis thereof, comprising:

- a terminal for entering unique customer identification codes from customer identification presented at the point-of-sale in a retail transaction;
- means for allowing entry of customer transaction data;
- a processor and a memory responsive to said terminal and said means for allowing entry for creating a database for a plurality of the retail establishment's customers' transaction data from prior shopping visits, such that data regarding individual customer's prior transactions are stored in association with said individual customer's unique identification code; and
- circuitry responsive to said processor, memory, and database for generating a customer information response signal at the point-of-sale during said individual customer's transaction in said retail establishment upon detection of a unique identification code of said individual customer, said signal being related to said individual customer's transaction data in shopping visits prior to the current shopping visit, and said signal providing information at said point-of-sale terminal derived from said database and useful for effectuating targeted customer promotion.

9. A system for accumulating and using customer transaction data at the point-of-sale in a retail establishment comprising:

- apparatus for entering unique customer identification codes from customer identification presented at the point-of-sale in said retail establishment;
- a terminal for entering customer transaction data at the point-of-sale in said retail

establishment;

a processor and a memory responsive to said apparatus and said terminal for creating a database for a plurality of the retail establishment's customers' transaction data from prior shopping visits, such that data regarding individual customer's prior transactions are stored in association with said individual customer's unique identification code; and

circuitry associated with said memory and responsive to the entry of said individual customer's identification code during a transaction at the point-of-sale, said circuitry being operable to generate a customer information response signal at the point-of-sale representative of said individual customer's transaction history prior to the current shopping visit, said signal providing information at said point-of-sale terminal derived from said database and useful for effectuating targeted customer promotion.

10. A method for accumulating and using customer transaction data at the point-of-sale in a retail establishment comprising the steps of:

entering unique customer identification codes from customer identification presented at the point-of-sale in a retail transaction;

entering customer transaction data;

creating a database for a plurality of the retail establishment's customers' transaction data from prior shopping visits, such that data regarding individual customer's prior transactions are stored in association with said individual customer's unique identification code; and

generating a customer information response at the point-of-sale during said individual customer's transaction in said retail establishment upon detection of a unique identification code of said individual customer, said response signal being related to said individual customer's

transaction data in shopping visits prior to the current shopping visit, and said response providing information at said point-of-sale derived from said database and useful for effectuating targeted customer promotion.

11. A method for accumulating and using customer transaction data at the point-of-sale in a retail establishment comprising the steps of:

entering unique customer identification codes from customer identification presented at the point-of-sale in said retail establishment;

entering customer transaction data at the point-of-sale in said retail establishment;

creating a database for a plurality of the retail establishment's customers' transaction data from prior shopping visits, such that data regarding individual customer's prior transactions are stored in association with said individual customer's unique identification code;

accessing said database in response to the entry of said individual customer's identification code during a transaction at the point-of-sale;

determining from said database the transaction history of said individual customer; and

generating a customer information response at the point-of-sale representative of said individual customer's transaction history prior to the current shopping visit, said response providing information at said point-of-sale derived from said database and useful for effectuating targeted customer promotion.

12. A system according to Claim 8, wherein said circuitry generates said customer information response signal as a function of analysis by said circuitry of said individual customer's transaction data following said detection of said unique identification code of said individual customer.

13. A system according to Claim 9, wherein said circuitry generates said customer information response signal as a function of analysis by said circuitry of said individual customer's transaction data following said entry of said individual customer's identification code.

14. A method according to Claim 10, wherein said generating step includes the step of generating said customer information response as a function of analysis of said individual customer's transaction data following said detection of said unique identification code of said individual customer.

15. A method for providing customer services in a retail establishment, comprising the steps of:

entering into a point-of-sale terminal a unique identification code for a customer;

entering into said terminal transaction data relating to the customer's shopping transactions;

generating and maintaining a database, including the step of correlating said transaction data with said unique identification code;

responding to entry, during a current transaction, of said unique identification code for a customer by analyzing said transaction data of the customer, including data in said database from prior transactions, with or without data from the current transaction, in order to generate a response which is a function of said data in said database from prior transactions, and by supplying said response to said terminal during said current transaction in which said unique identification code is entered, said response including information for effecting a targeted promotion to the customer.

16. A method for providing services or promotions to customers in a retail establishment, comprising the steps of:

- entering into a point-of-sale terminal an account number from a payment instrument presented by a customer, and using said account number as a unique identification code for the customer;
- entering into said terminal transaction data relating to the customer's shopping transactions;
- generating and maintaining a database, including the step of correlating said transaction data with said unique identification code, said transaction data including data from at least one past transaction of each customer; and
- using said database to effect customer services which include targeted marketing and/or promotions, said using step including the step of analyzing said transaction data of the customer.

17. A computer implemented system for providing a signal at a point-of-sale depending upon a customer's shopping history, comprising:

- a terminal for entering, during a transaction, a unique customer identification;
- a database storing transaction data from prior transactions for a plurality of customers, such that data regarding a customer's prior transactions are stored in association with an identification of that customer;

circuitry responsive to the entry of said unique customer identification at said terminal during said transaction for transmitting to said point-of-sale during said transaction a customer information response signal; and

wherein said customer information response signal depends upon data stored in said database indicating dollar amount of at least one prior purchase associated with said unique customer identification.

18. The system of claim 17 wherein said customer information response signal depends upon dollar amount of a plurality of prior purchases associated with said unique customer identification.

19. The system of claim 17 wherein said customer information response signal also depends upon a frequency of prior purchases associated with said unique customer identification.

20. The system of claim 17 wherein said terminal can also receive customer transaction data.

21. The system of claim 17 wherein said data regarding said individual customer's prior transactions stored in association with said individual customer's identification in said database includes transaction frequency and dollar amount.

22. A computer implemented method for providing a signal at a point-of-sale depending upon a customer's shopping history, comprising the steps of:

entering in a terminal, during a transaction, a unique customer identification;

storing, in a database, transaction data from prior shopping transactions for a plurality of customers, such that data regarding a customer's prior transactions are stored in association with

said an identification of that customer;

transmitting to a point-of-sale during said transaction a customer information response signal in response to the entry of said unique customer identification at said terminal during said transaction; and

wherein said customer information response signal depends upon data stored in said database indicating dollar amount of at least one prior purchase associated with said unique customer identification.

23. The method of claim 22 wherein said customer information response signal depends upon dollar amount of a plurality of prior purchases associated with said unique customer identification.

24. The method of claim 22 wherein said customer information response signal also depends upon a frequency of prior purchases associated with said unique customer identification.

25. (Not amended) The method of claim 22 further comprising the step of receiving in said terminal customer transaction data.

26. The method of claim 22 wherein said data regarding said individual customer's prior transactions stored in association with said individual customer's identification in said database includes transaction frequency and dollar amount.

27. A computer implemented system for updating data in a customer database, comprising:

a terminal for entering, during a transaction, a unique customer identification and transaction data for said transaction;

a database storing transaction data for a plurality of customers from prior shopping transactions, such that transaction data regarding prior transactions of a customer are stored in association with identification of that customer; and

circuitry responsive to the entry of said unique customer identification and said transaction data at said terminal for updating transaction data and a dollar amount of purchases associated with said unique customer identification in said customer database.

28. The system of claim 27 wherein said circuitry updates said transaction data associated with said unique customer identification during said transaction.

29. The system of claim 27 wherein said database also stores a date of said transaction.

30. A computer implemented method for updating data in a customer database, comprising the steps of:

entering in a terminal, during a transaction, a unique customer identification and transaction data for said transaction;

storing, in a database, transaction data for a plurality of customers from prior shopping transactions, such that data regarding a prior transactions of a customer are stored in association with identification of that customer; and

updating transaction data and a dollar amount of purchases associated with said unique customer identification in said customer database in response to entry of said unique customer identification and said transaction data at said terminal.

31. The method of claim 30 wherein said circuitry updates said transaction data associated with said unique customer identification during said transaction.



32. The method of claim 30 further comprising the step of storing in said database a date of said transaction.

33. A computer implemented customer database comprising stored transaction data from prior point-of-sale transactions for a plurality of customers, such that data regarding a customer's prior transactions are stored in association with an identification of that customer, said transaction data including:

dollar amount of purchases and time period.

34. A computer implemented customer database comprising stored transaction data from prior transactions for a plurality of customers, such that data regarding a customer's prior transactions are stored in association with an identification of that customer, said transaction data including:

total dollar amount of purchases purchased during a period of time associated with an identification of a customer.

35. The database of claim 34 wherein said period of time is one of a day and a week.

36. The database of claim 34 wherein said transaction data further comprises a number of transactions associated with an identification of a customer.

37. The database of claim 34 wherein said transaction data further comprises a frequency of transactions associated with an identification of a customer.

38. The database of claim 34 wherein said transaction data further comprises a frequency of transactions for a specified period of time associated with an identification of a customer.

39. The database of claim 38 wherein said specified period of time is one of a day and

a week.

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APPENDIX II



PROPOSED FINDS OF FACT AND PROPOSED CONCLUSIONS OF LAW

**37 CFR 1.192(c)(8)(iii)-Rejection Under 35 USC 102**

**A. Finding of Facts**

**1. Claims 8, 9, 12, and 13**

(1) Claims 8, 9, 12, and 13 stand rejected under 35 USC 102(b) as being anticipated by Creekmore (U.S. patent No. 4,109,238).

(2) Creekmore does not disclose a system for entering unique customer identification codes from customer identification presented at the point-of-sale and for accumulating transaction data at the point-of-sale, as claimed.

(3) Creekmore's terminal 13 is not located in a checkout lane of a grocery store and therefore is not at the point-of-sale, as defined by claims 8, 9, 12, and 13. It is located at a convenient location such as a location near the checkout lanes of a grocery store. (See column 5 lines 15-20 and 56-60.)

(4) Creekmore merely discloses a check verification system wherein a shopper may have his or her check approved prior to entering a checkout lane where the sale actually takes place. Creekmore discloses that his terminal 13 is for use by the customer to provide the customer information about the customer's checking account status and whether a store will accept the customer's check. See column 3 lines 6-18.

(5) The system disclosed by Creekmore does not allow entry of customer transaction data as recited in claims 8, 9, 12, and 13.

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- (6) The only information entered by the customer in Creekmore's system is the customer's account number and identification code.
- (7) The examiner's assertion that the terminal 13 disclosed by Creekmore is at the point-of-sale is clearly incorrect.
- (8) The disclosure in Creekmore at column 5 beginning at line 18 states "the input terminal 13 which may be positioned at any convenient point-of-use location such as a location near the checkout lanes of a grocery store." Creekmore teaches the input terminal 13 is for pre-verification of a customer's check, which means that input terminal 13 is not involved in the subsequent purchase transaction wherein the check is tendered.
- (9) The terminal 13 disclosed by Creekmore is not at the point-of-sale as asserted by the examiner.
- (10) The disclosure in Creekmore at column 5 lines 56-60 states "In the present example it is assumed that the customer has not passed through a checkout lane of the store and does not presently know the exact amount of the purchase selected for purchase."
- (11) Thus, the terminal location is not the same as that recited in claims 8, 9, 12, and 13.
- (12) The examiner does not distinguish between the terminal for entering unique customer identification codes for customer identification and the means for allowing entry of customer transaction data.
- (13) The data entry in columns 5 and 6 of Creekmore cited by the examiner refers to entering unique customer identification codes for customer identification; it does not relate to the entry of transaction data as recited in claim 8. The same is true with respect to claim 9 which recites apparatus for entering unique customer identification codes and a terminal for entering customer transaction data. Moreover, the input terminal 13 is not a point-of-sale terminal. No sale is

transacted. Therefore, use of Creekmore's terminal 13 does not meet the "accumulating customers transaction data at the point-of-sale" recited in claims 8 and 9. Claim 12 depends from claim 8 and claim 13 depends from 9.

## **2. Claims 33-39**

(14) Claims 33-39 stand rejected under 35 USC 102(b) as being anticipated by Goldman et al. (U.S. Patent No. Re 30,580).

(15) Independent claim 33 is directed to a computer implemented customer database comprising stored transaction data wherein said transaction data includes "dollar amount of purchases and time period." (Emphases added.)

(16) In rejecting claims 33, the examiner relies upon the disclosure in column 5 and the disclosure in the first full paragraph of column 12 of Goldman et al.

(17) There is no disclosure in column 5 or in the first full paragraph of column 12 of Goldman et al. of the subject matter recited in claim 33.

(18) Contrary to the examiner's assertion, Goldman et al. does not disclose a computer implemented customer database comprising stored transaction data wherein the transaction data includes "dollar amount of purchases and time period" as recited in claim 33.

(19) Goldman et al does not disclose a computer implemented customer database comprising stored transaction data wherein said transaction data includes "total dollar amount of purchases purchased during a period of time associated with an identification of a customer [emphasis added]" as recited in independent claim 34.

(20) The disclosure in column 5 of Goldman et al. relates to a system for determining whether a customer has previously presented a check to a merchant and, if so, whether that check turned

out to be good or bad.

(21) As pointed out in the first full paragraph of column 12, Goldman et al., in the case of a first time check presenter, provides for a waiting period before making a determination that the check has cleared.

(22) Neither the disclosure in column 5 nor the disclosure in the first full paragraph of column 12 of Goldman et al. anticipates the subject matter independent claim 33 or independent claim 34.

(23) Claims 35-39 depend from claim 34. Goldman et al. does not disclose a database storing amount of purchases per week (claim 35), number of transactions (claim 36), frequency of transactions (claim 37), frequency in a specified time (claim 38), or where the time period for frequency is one week (claim 39).

## **II. 37 CFR 1.192(c)(8)(iv)-Rejection Under 35 USC 103**

### **1. Claims 15 and 16**

(24) Claims 15 and 16 stand rejected under 35 USC 103(a) as being unpatentable over Creekmore (U.S. patent No. 4,910,672) in view of Off et al. (U.S. patent No. 4,910,672).

(25) One having ordinary skill in the art would not have been motivated to combine the teachings of Creekmore and Off et al. in the absence of applicants disclosure.

(26) Creekmore is directed to a system of allowing customers to predetermine that their check will be subsequently accepted in a purchase transaction (wherein the customer's check is evaluated at a terminal remote from the checkout lane, and if the customer's check is approved the customer may use the check at the point-of-sale terminal in a checkout lane to pay for the goods selected for purchase by the customer). (See column 5 lines 15-20.)

(27) Off et al. discloses a system directed to four different features--namely, (1) “negative” coupons, (2) multiple-trigger coupons, (3) log-only operations, and (4) instantly redeemable coupons. (See column 2 lines 7-11.)

(28) Because none of these features to which Off et al. is directed relates to or has any bearing on the customer credit pre-verification system disclosed in Creekmore, it is only through the improper use of hind-sight using applicants disclosure as a template or blueprint that one having ordinary skill in the art would even consider attempting to combine the teachings of applied references in any manner. The references are not logically combinable in the manner the examiner proposed because they do teach what the examiner asserts they teach.

(29) Even if the references could be combined as proposed by the examiner, the combination would not result in the subject matter defined by claims 15 and 16.

(30) Neither of the applied references teaches or suggests any of the four steps recited in claims 15 and 16.

(31) Creekmore does not teach or suggest entering a unique identification code for a customer at a point-of-sale terminal. It teaches entering identification information at a terminal remote from the checkout lanes. See column 5 lines 15-20 and 56-60. Therefore, Creekmore does not teach or suggest the first step in either claim 15 or 16.

(32) Creekmore does not teach or suggest entering into said terminal transaction data relating to the customers shopping transactions. As shown in Fig. 4 of Creekmore, the system merely keeps tracks of the types of checks that have been authorized and whether the number of authorized checks has been exceeded during a particular time period. Therefore, Creekmore does not teach or suggest the second step in either claim 15 or 16.

(33) Because steps 3 and 4 in claims 15 and 16 are based on steps 1 and 2, it follows that

Creekmore does not teach or suggest the subject matter in either step 3 or step 4 of claims 15 and 16.

(34) The system disclosed in Off et al. does not include the use of a unique identification code for a customer. Therefore, Off et al. does not teach or suggest the first step of either claim 15 or 16.

(35) Off et al. only teaches or suggests entering at a point-of-sale terminal transaction data relating to a customer's current shopping transaction. Therefore, Off et al. does not teach or suggest entering transaction data relating to the customer's prior shopping transactions.

Therefore, Off et al. does teach or suggest the second step of either claim 15 or 16.

(36) Because Off et al. does not teach or suggest using an identification code for a customer, Off et al. fails to teach or suggest the third step of either claim 15 or 16.

(37) Because Off et al. does not maintain a database including data from prior transactions, it follows that Off et al. does not teach or suggest the fourth step of either claim 15 or 16.

(38) As pointed out above with respect to the rejection of claims 8, 9, 12, and 13 over Creekmore, Creekmore does not teach or suggest either of the first two steps of claims 15 and 16 - namely the steps of (1) entering into a point-of-sale terminal a unique identification code for a customer or (2) entering into said terminal transaction data relating to the customer's shopping transactions. Thus, Creekmore fails as a primary reference.

(39) Off et al. fails to make up for the deficiencies in Creekmore.

(40) Off et al. teaches away from the claimed invention because it does not involve entering into a point-of-sale terminal a unique identification code for a customer, and therefore it does not teach or suggest responding to entry, during a current transaction, of the unique identification code for a customer as recited in claim 15.



(41) Off et al. relates to the identification of a triggering product in a customers current transaction. Therefore, it does not relate to analyzing the transaction data from prior transactions nor does it associate the transaction with a particular customer.

(42) The noted deficiencies in Off et al. apply to claim 16 as well.

(43) Creekmore clearly does not anticipate the subject matter of claims 8, 9, 12, and 13 nor does it suggest that subject matter.

(44) Creekmore also fails to teach or suggest the subject matter of claims 15 and 16, and it fails as a primary reference with respect to claims 15 and 16 for the reasons stated above with respect to the subject matter of claims 8, 9, 12, and 13

(45) Off et al. is directed to the detection of triggering products in the customers current shopping transaction, and it does not involve analyzing prior shopping transactions or the identification of any particular customer. Therefore, Off et al. fails to make up for the deficiencies in Creekmore, and in fact it actually teaches away from the invention set forth in claims 15 and 16.

(46) Off et al., in fact, teaches away from the invention recited in claims 15 and 16 in that no identification of the customer is made or required in the system disclosed by Off et al.

(47) The response return point described by the examiner does not identify any individual customer by an identification code.

## **2. Claims 10, 11, and 14**

(48) Claims 10, 11, and 14 stand rejected under 35 USC 103(a) as being unpatentable over Creekmore in view of Off et al. in further view of Tai (U.S. patent No. 4,908,7610).

(49) Contrary to the examiner's assertions, the combination of Creekmore in view of Off et al.

does not disclose the claimed invention except for the response being related to the individual customer's transaction data in shopping visits prior to the current shopping visit.

(50) Neither Creekmore nor Off et al. teaches or suggests entering in the customer identification code from customer identification presented at the point-of-sale in a retail transaction. Thus, neither Creekmore nor Off et al., nor the combination thereof, teaches or suggests either (1) the step of creating a database or (2) the step of generating a customer information response as recited in claims 10 and 11.

(51) Tai fails to make up for the deficiencies in Creekmore and Off et al.

(52) The system disclosed in Tai relates to a survey of prospective customers in an attempt to determine which of heaviest product purchasers regularly use coupons that are mailed by or on behalf of a retail establishment to its prospective customers. (See column 3 lines 13-16.)

(53) The coupons mailed to the prospective customers include an encoding device that may be applied by the customer to the coupon.

(54) The encoding device has incorporated therein or thereon the name and address of the prospective customer in machine readable form. Therefore, when the customer returns the coupon, the retail establishment can identify the customer that returned the coupon.

(55) The system has nothing to do with the customer's prior shopping history. That is, the customer that returns the encoded coupon may never have been in the store before and may never come back again.

(56) Contrary to the examiner's assertions, Tai does not teach or suggest providing a the response being related to the individual customer's transaction data in shopping visits prior to the current shopping visit.

(57) The examiner's contention that the response return point in the Off et al. system

corresponds to the independently claimed unique identification code recited in claims 10, 11, and 14 is incorrect for the reasons stated above with respect to claims to 15 and 16.

(58) Off et al. clearly does not teach or suggest entry of a unique identification code for each shopper as asserted by the examiner.

(59) Tai fails to make up for the deficiencies in Creekmore and Off et al. with respect to the subject matter recited in claims 10, 11, and 14.

(60) The system disclosed in Tai has nothing to do with shopping visits prior to the current shopping visit since that system merely involves the mass mailing of coupons to prospective customers. The prospective customer may never have been in the store before presenting the coupon received in the mail, and he or she may never come back again. This point is clear from the disclosure in Tai at column 3 lines 36-50.

### **3. Claims 17-32**

(61) Claims 17-32 stand rejected under 35 USC 103(a) as being unpatentable over Creekmore in view of Off et al. in view of Tai in further view of Bigari.

(62) The examiner has not explained how he is applying any of Creekmore, Off et al. or Tai. to claims 17-32.

(63) None of those references teaches or suggests (1) the structure recited in claim 17 of a computer implemented system providing a signal at a point-of-sale depending upon a customers shopping history and comprising a terminal for entering, during a transaction, a unique customer identification or (2) a database storing transaction data from prior transactions for a plurality of customers, such that data regarding a customer's prior transactions are stored in association with an identification of that customer.

(64) Likewise, those references fail to teach or suggest the remaining structure set forth in claim 17.

(65) Claim 22 recites a computer implemented method which parallels apparatus claim 17.

(66) Just as the structure recited in claim 17 is not taught or suggested by the combination of Creekmore, Off et al., and Tai, the steps recited in claim 22 are not taught or suggested by those references.

(67) Bigari fails to make up for the deficiencies of the other three references.

(68) In addition, contrary to the examiner's assertions, Bigari does not disclose that it is known to provide a step of manipulating the dollar amount and time of purchase.

(69) The system disclosed by Bigari merely provides for the production of a voucher indicating the maximum charge amount that may be used to purchase goods or services from the merchant (see column 6 line 64-column 7 line 6.)

(70) The discussion in column 8 starting at line 39, referred to by the examiner, has nothing to do with the customers prior purchasing transactions. That disclosure merely relates to a situation where the customer must remove some of the items from his shopping basket because the dollar amount of the goods in the shopping basket exceeds the maximum amount of the voucher.

(71) The last limitation in claim 17 recites "wherein said customer information response signal depends upon data stored in said database indicating dollar amount of at least one prior purchase associated with said unique customer identification."

(72) Claims 18-21 depends from claim 17.

(73) The last limitation in claim 22 recites "wherein said customer information response signal depends upon data stored in said database indicating dollar amount of at least one prior purchase

associated with said unique customer identification.”

(74) Claims 23-26 depends from claim 22.

(75) The last limitation in claim 27 recites “circuitry responsive to the entry of said unique customer identification and said transaction data at said terminal for updating transaction data and a dollar amount of purchases associated with said unique customer identification in said customer database.”

(76) Claims 28 and 29 depends from claim 27.

(77) The last limitation in claim 30 recites “updating transaction data and a dollar amount of purchases associated with said unique customer identification and said customer database in response or entry of said unique customer identification and said transaction data at said terminal.”

(78) Claims 31 and 32 depends from claim 30.

(79) Bigari points out in column 6 line 64-column 7 line 6 that the system disclosed therein provides a voucher to the customer indicating the maximum charge amount that may be used to purchase goods or services from the merchant. Thus, Bigari does not teach or suggest the subject matter recited in independent claims 17, 22, 27, and 30 referred to above.

(80) Bigari fails to make up for the deficiencies of the other references, and it does teach or suggest the added limitations relating to time period and dollar amount set forth in claims 17-32. The references fail to disclose or suggest all elements of the independent claims and further fail to suggest in addition the dollar amount of a plurality of prior purchases (claims 18 and 23), the frequency of prior purchases (claims 19 and 24), the transaction frequency and dollar amount (claims 21 and 26), the transaction date (claim 29), the transaction date and dollar amount (claim 30), and the date (claim 32).

### **III. 37 CFR 1.192(c)(v)-OTHER REJECTIONS**

#### **1. 35 USC 101**

(81) Claims 33-39 stand rejected under 35 USC 101 because the claimed invention is directed to non-statutory subject matter. This rejection is clearly untenable, and it should be reversed.

(82) Independent claim 33 clearly complies with 35 USC 101 in that it provide a useful, concrete, and tangible result of providing a computer implemented customer database comprising stored transaction data including dollar amount of purchases and time period regarding a customer's prior transactions in association with an identification of a customer.

(83) Claims 33-39 define a statutory novel composition of matter whose utility resides in the ability of an associated digital computer system to retrieve representations of the data and the associations between the data stored therein to perform the credit verification and marketing functions disclosed in the application. The computer implemented customer database is clearly useful to the merchant, and its disclosed uses are useful, concrete, and tangible, being for credit determination and targeted customer marketing.

(84) Claim 34 is also directed to a computer implemented customer database comprising stored transaction data including total amount of purchases purchased during a period of time associated with an identification of a customer.

(85) The computer implemented customer database recited in claim 34 also provides a useful, concrete, and tangible result.

(86) Claims 35-39 depends directly or indirectly from claim 34.

## **2. Double Patenting**

### **A. Claims 8, 9, 12, and 13**

(87) Claims 8, 9, 12, and 13 stand rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claim 23 of U.S. patent No. 5,305,196.

(88) Claims 23 of the '196 patent relates to a system for creating a non-customer database for use in marketing ('196 patent at column 80 lines 9-10).

(89) The system defined by claim 23 of the '196 patent does not includes means or a terminal for entering customer transaction data at the point-of-sale in the retail establishment.

(90) The system defined by claim 23 of the '196 patent does not have (1) a processor and a memory responsive to the apparatus for entering unique identification codes or (2) the terminal for entering customer transaction data for creating a database of a plurality of the retail establishment's customers' transaction data from prior shopping visits.

(91) The system defined by claim 23 of the '196 patent does not have circuitry responsive to said processor, memory, and database for generating a customer information response signal at the point-of-sale during said individual customer's transaction in said retail establishment upon detection of a unique identification code of said individual customer, said signal being related to said individual customer's transaction data in shopping visits prior to the current shopping visit.

(92) Thus, the system defined by claim 23 of the '196 patent does not teach or suggest the limitations recited in claims 8 and 12 or the corresponding limitations in claims 9 and 13.

(93) The examiner merely concludes that "the elements recited in the present application are obvious modifications to the elements already patented by the applicants."

(94) The examiner's conclusion fails to specifically address the actual rejection under consideration--namely, why the subject matter recited in claims 8, 9, 12, and 13 would have been obvious to one having ordinary skill in the art from the subject matter of claim 23 of the '196 patent.

(95) The patent is not prior art with respect to claims 8, 9, 12 and 13.

(96) The burden is on the examiner to show that the subject matter in those claims would have been obvious to one having ordinary skill in the art from claim 23 of the patent, which constitutes the sole ground for the rejection.

**B. Claims 10, 11, and 14**

(97) Claims 10, 11, and 14 stand rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 18 and 26 of U.S. Patent No. 5,201,010 in view of Tai.

(98) As recognized by the examiner, claims 18 and 26 of the '010 patent do not teach or suggest the step in rejected claim 10 of generating a customer information response in which the response signal is related to the individual customer's transaction data in shopping visits prior to the current shopping visit.

(99) Tai fails to make up for the deficiencies in claims 18 and 26 of the '010 patent.

(100) The system disclosed in Tai relates to a survey of prospective customers in a attempt to determine which of the heaviest product purchasers regularly use coupons that are mailed by or on behalf of a retail establishment to its prospective customers. (See column 3 lines 13-16.) The coupons mailed to the prospective customers include an encoding device that may be applied by the prospective customer to the coupon. The encoding device has incorporated therein or thereon



the name and address of the prospective customer in machine readable form. Therefore, when a coupon is returned, the retail establishment can identify the customer that returned the coupon.

(101) The system disclosed by Tai has nothing to do with a customer's prior shopping history. That is, the customer that returns the encoded coupon may never have been in the store before and may never come back again.

(102) Contrary to the examiner's assertions, Tai does not teach or suggest providing a response related to the individual customer's transaction data in shopping visits prior to the current shopping visit.

### **C. Claims 15 and 16**

(103) Claims 15 and 16 stand rejected under the judicially created doctrine of double patenting over claim 12 of U.S. patent No. 5,659,469 since the claims, if allowed, would improperly extend the "right to exclude" already granted by the patent.

(104) Claim 12 of the '469 patent does not recite the step of entering into said terminal data relating to the customer's shopping transactions.

(105) Claim 12 of the '469 patent does not recite the step of generating and maintaining a database.

(106) Moreover, claim 12 of the '469 patent does not recite the step of responding to entries, during a current transaction, of said unique identification code for a customer by analyzing said transaction data of the customer.

(107) The steps recited in claim 12 of the '469 patent include (1) detecting the machine readable product codes, (2) storing a plurality of customers unique identification codes, (3) applying a value determination to determine the value for a sale promotion, (4) generating

incentive signals for different individual customers, and (5) dispensing a sales promotion on a specific product item to said customers.

(108) The steps recited in claim 15 are not taught or suggested from the steps recited in claim 12 of the '469 patent.

(109) Claim 16 includes a step of entering into a point-of-sale terminal an account number from a payment instrument presented by a customer.

(110) That step is clearly not taught or suggested by claim 12 of the '469 patent.

(111) The second entering step and the step of generating and maintaining a database set forth in claim 16 are not taught or suggested by claim 12 of the '469 patent for the reasons stated above with respect to claim 15.

(112) The last step in claim 16 recites "using said database to effect customer services which include targeted marketing and/or promotions..." and that step is not taught or suggested by claim 12 of the '469 patent.

(113) Claim 12 of the '469 patent does not include the step of entering into said terminal transaction data relating to the customers shopping transactions as recited in claim 15.

(114) The step of entering a plurality of customers' unique identification codes set forth in claim 12 of the '469 patent, referred to by the examiner, corresponds to the step of entering into a point-of-sale terminal a unique identification code for a customer in claim 15.

(115) The customer's identification code has no relationship to the data relating to the customer's shopping transactions.

(116) The examiner's contention that the steps are equivalent is incorrect and not relevant.

(117) The step of generating incentive signals for different individual customers recited in claim 12 of the '469 patent does not correspond to the step in claim 15 of generating and

maintaining a database, including the step of correlating said transaction data with said unique identification code. The step relied upon in claim 12 of the '469 patent is clearly not the same step recited in claim 15.

(118) The step of generating and maintaining a database as recited in claim 15 is not taught or suggested from the step of generating incentive signals for different individual customers as set forth in claim 12 of the '469 patent.

(119) The step relied on by the examiner in claim 12 of the '469 patent has nothing to do with the step of generating and maintaining a date base as recited in claim 15.

(120) The responding to entry step as recited in claim 15 does not involve dispensing a sales promotion as recited in claim 12 of the '469 patent.

(121) The responding to entry step recited in step 15 includes the step of supplying said response to said terminal during said current transaction in which said identification code is entered.

(122) The responding to entry step as recited in claim 15 does not involve dispensing a sales promotion on a specific product item to the customer.

(123) The responding to entry step as recited in claim 15 is not taught or suggested by claim 12 of the '469 patent.

(124) Claim 12 of the '469 patent does not recite the step of entering into a point-of-sale terminal and account number from a payment instrument presented by a customer as recited in rejected claim 16. That specific recitation in claim 16 is not taught or suggested by claim 12 of the '469 patent.

(125) In addition, Claim 16 is not taught or suggested by claim 12 of the '469 patent for the reasons stated above with respect to claim 15.

#### **D. Claims 17-32**

(126) Claims 17-32 stand rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 1 and 3 of the US patent No 5,529,560 [sic; 5,592,560].

(127) The examiner does not explain how the limitations in claims 17-32 would have been rendered obvious to one having ordinary skill in the art in view of the subject matter in claims 1 and 3 of the '560 patent.

(128) The system recited in independent claim 17 includes a terminal for entering, during a transaction, the unique customer identification. On the other hand, claim 1 of the '560 patent recites a terminal for entering selected indicia from identification presented by the customer in order to generate a unique identification code. Therefore, the terminal recited in claim 17 performs a different function from the terminal recited in claim 1 of the '560 patent. Claim 22 is the method analog of claim 17.

(129) In independent claim 27, the function of the circuitry recited is required to respond to the entry of the unique customer identification and the transaction data at the terminal for updating transaction data and dollar amount of purchases associated with the unique customer identification in the customer database. This function is not taught or suggested by claims 1 and 3 of the '560 patent.

(130) Moreover, those claims variously define dollar amount of a plurality of prior purchases (claims 18 and 23), the frequency of prior purchases (claims 19 and 24), the transaction frequency and dollar amount (claims 21 and 26), the transaction date (claim 29), the transaction date and dollar amount (claim 30), and the date (claim 32), which further distinguish those

claims over the subject matter of defined by claims 1 and 3 of the '560 patent.

(131) The examiner contends that the functions performed by the elements in claim 17 are equivalent to the function performed by the elements recited in claim 1 of the '560 patent.

(132) However, that the test is whether or not claim 17 would have been obvious from claim 1 of the '560 patent.

(133) The examiner arguments concerning the equivalents are deemed to be misplaced. For example, a safety pin may be considered equivalent to a Velcro fastener but that does not mean that a safety pin would be obvious from a Velcro fastener or vice versa.

(134) The elements recited in claim 17 differ from the elements recited in claim 1 of the '560 patent.

(135) The elements recited in claim 17 are not taught or suggested by the elements recited in claim 1 of the '560 patent.

(136) Likewise, the steps recited in claims 22-26 perform different functions than the elements recited in claim 1 of the '560 patent, and those steps are not taught or suggested by the claim 1 of the '560 patent.

(137) The examiner's argument that the subject matter recited in claims 27-32 is equivalent to the subject matter recited in the patented claims is incorrect and not relevant.

(138) The subject matter in claims 27-32 is not taught or suggested by the subject matter in claims 1 and 3 of the '560 patent.

#### **E. Claims 33-39**

(139) Claims 33-39 stand rejected under the judicially created doctrine of double patenting over claims 1, 2, and 3 of US patent No. 5,592,560.

(140) Independent claim 33 is not taught or suggested by claims 1, 2, and 3 of the '560 patent.

(141) Claims 1, 2, and 3 of the '560 patent are directed to a system for dispensing a sales promotion at the point-of-sale to people who meet a predetermined infrequent product purchasing history criteria, which is defined as people for which no customer shopping record exists in the store's database ('560 patent column 60 line 46-column 61 line 5), whereas claim 33 is drawn to a computer implemented customer database.

(142) The computer implemented customer database recited in claim 33 stores transaction data with respect to the customer's prior transactions including (1) dollar amount of purchases and (2) time period.

(143) On the other hand, claims 1, 2, and 3 of the '560 patent are directed to a system for targeted marketing based upon products previously infrequently purchased by a customer in prior transactions.

(144) Claims 1, 2, and 3 in the '560 patent define a database storing "data relating to ...products previously purchased... including [data indicating] products previously infrequently purchased" (claim 1); "number of products purchased... over a ... specified time period" (claim 2); and "dollar amount of products previously purchased" (claim 3). Thus, these claims do not define either rejected claim 33's "dollar amounts of purchases" or "time period." Thus, there is no substantial evidence supporting this rejection. Therefore, the subject matter in claim 33 is not taught or suggested from the subject matter in claims 1, 2, and 3 of the '560 patent.

(145) Independent claim 34 distinguishes over claims 1, 2, and 3 of the '560 patent for the reasons stated above with respect to claim 33.

(146) In addition, 34 specifically recites that the transaction data include the total dollar amount of purchases purchased during a time period associated with an identification of a customer.

There is no teaching or suggestion of that recitation in claims 1, 2, and 3 of the '560 patent.

(147) Claims 1, 2, and 3 of the '560 patent are directed to a system for processing data related to products infrequently purchased.

(148) Claims 35-39 depends from claim 34. Those claims patentably distinguish over claims 1, 2, and 3 of the '560 patent for the reasons stated above with respect to claim 34. Moreover, each of those claims contains additional limitations (specific time periods in claims 35, 38, 39, number of transactions in claim 36, and frequency of transactions in claim 37 and 38.) which further patentably distinguish over claims 1, 2, and 3 of the '560 patent.

(149) The examiner's argument that the subject matter in claims 33-39 is equivalent to the subject to claim 1-3 in the '560 patent is incorrect and not relevant.

(150) That claims 33-39 are directed to a computer implemented customer database, whereas claims 1-3 of the '560 patent are directed to a system for performing a targeted marketing on customers in a retail establishment. Moreover, the data stored in the database defined in claims 1-3 in the '560 patent is distinct from the data stored by the database defined by claims 33-39, for reasons just presented.

(151) The subject matter defined by the claims 33-39 is clearly different from the subject matter of claims 1-3 of the '560 patent.

(152) The subject matter defined by claims 33-39 is not taught or suggested by claims 1-3 of the '560 patent.

## **B. Conclusions of Law**

### **I. 37 CFR 1.192(c)(8)(iii)-Rejection Under 35 USC 102**

(1) Under 35 USC 102, every limitation of a claim must identically appear in a single prior

art reference for it to anticipate the claim. Gechter v. Davidson, 116 F.3d 1454, 1457, 43 USPQ2d 1030, 1032 (Fed. Cir. 1997). The factual determination of anticipation requires a disclosure in a single reference of every element of the claimed invention. Ex parte Levy, 17 USPQ2d 1461, 1462 (PTOBPAI 1990). Moreover, it is incumbent upon the examiner to identify wherein each and every facet of the claimed invention is disclosed in the applied reference. Ex parte Levy, 17 USPQ2d at 1462. These elements must be arranged as in the claim under review. In re Bond, 910 F.2d 831, 832, 15 USPQ2d 1566, 1567 (Fed. Cir. 1990).

## **II. 37 CFR 1.192(c)(8)(iv)-Rejection Under 35 USC 103**

(2) Several basic factual inquiries must be made in order to determine obviousness or non-obviousness of claims in a patent application under 35 USC 103(a). These factual inquiries are set forth in Graham v. John Deere Co., 383 U.S. 1, 17, 148 USPQ 459, 467 (1966):

Under § 103, the scope and content of prior art must be determined; differences between the prior art and the claims at issue must be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background, the obviousness of the subject matter is determined.

(3) The specific inquiries set forth in Graham have not been considered or properly applied by the examiner in formulating the rejections of claims 10, 11, and 14-32. That is, the examiner has failed to properly determine the scope and content of the prior art, has failed to ascertain the differences between the prior art and the claims, and he has failed to determine the level of skill in the pertinent art. In the present case, proper consideration of these inquiries demonstrates that the claimed invention would not have been obvious to one having ordinary skill in the art at the



time that the claimed invention was made.

(4) “In rejecting claims under 35 U.S.C. § 103, the examiner bears the initial burden of presenting a prima facie case of obviousness. [Citation omitted.] Only if that burden is met does the burden of coming forward with evidence or arguments shift to the applicant. *Id.* ‘A prima facie case of obviousness is established when the teachings of the prior art itself would appear to have suggested the claimed subject matter to a person of ordinary skill in the art.’ [Citations omitted.] If the examiner fails to establish a prima facie case, the rejection is improper....” *In re Rijckaert*, 9 F.3d 1531, 1532, 28 USPQ2d 1955, 1956 (Fed. Cir. 1993). See also *In re Dance*, 160 F.3d 1339, 1343, 48 USPQ2d 1635, 1637 (Fed. Cir. 1998); *In re Dembiczak*, 175 F.3d 994, 998, 50 USPQ2d 1614, 1616; and *In re Zurko*, 258 F.3d 1379, 1384-1385, 59 USPQ2d 1693, 1696-1697 (Fed. Cir. 2001). “That two things are *actually* equivalents, in the sense that they will both perform the same function, is not enough to bring into play the rule that when one of them is in the prior art the use of the other one is obvious and cannot give rise to patentable invention.” *In re Ruff*, 256 F.2d 590, 597, 118 USPQ 340, 347 (CCPA 1958). The examiner’s rejection must be supported by substantial evidence. *In re Kotzab*, 217 F.3d 1665, 1369-1370, 55 USPQ2d 1313, 1316 (Fed. Cir. 2000); and *In re Zurko*, 258 F.3d at 1384, 59 USPQ2d at 1696.

### **III. 37 CFR 1.192(c)(v)-OTHER REJECTIONS**

#### **1. 35 USC 101**

(5) With respect to a rejection under 35 USC 101, the Supreme Court held in *Diamond v. Chakrabarty*, 447 U.S. 303, 308-09, 206 USPQ 173, 197 (1980) that:

In choosing such expansive terms as “manufacture” and “composition of matter,” modified by the comprehensive “any,” Congress plainly contemplated that the patent

laws would be given wide scope.

The relevant legislative history also supports a broad construction. The Patent Act of 1793, authored by Thomas Jefferson, defined statutory subject matter as “any new and useful art, machine, manufacture, or composition of matter, or any new or useful improvement [thereof].” Act of Feb. 21, 1793, ch. 11 § 1, 1 Stat. 318. The Act embodied Jefferson’s philosophy that “ingenuity should receive a liberal encouragement.” V Writings of Thomas Jefferson, at 75-76. See *Graham v. John Deere Co.*, 383 U.S. 1, 7-10, 148 USPQ 459, 462-464 (1966). Subsequent patent statutes in 1836, 1870 and 1874 employed this same broad language. In 1952, when the patent laws were recodified, Congress replaced the word “art” with “process,” but otherwise left Jefferson’s language intact. The Committee Reports accompanying the 1952 act inform us that Congress intended statutory subject matter to “include anything under the sun that is made by man.” S. Rep. No. 1979, 82d Cong., 2d Sess., 5 (1952); H. R. Rep. No. 1923, 82d Cong., 2d Sess., 6 (1952). (Citation omitted.)

All that is required to satisfy 35 USC 101 is that the invention provide a useful, concrete and tangible result. State Street Bank and Trust Co. v. Signature Financial Group Inc., 149 F.3d 1368, 1373, 47 USPQ2d 1596, 1601-02 (Fed. Cir. 1998) and AT&T Corp v. Excel Communications, 172 F.3d 1352,1358, 50 USPQ2d 1447, 1452 (Fed. Cir. 1999).

## **2. Double Patenting**

- (6) As pointed out in the MPEP Section 804, page 800-22, 8<sup>th</sup> Edition August 2001:

A double patenting rejection of the obviousness-type is “analogous to [a failure to meet] the nonobviousness requirement of 37 U.S.C. 103” except that the patent

principally underlying the double patenting rejection is not considered prior art. *In re Braithwaite*, 379 F.2d 594, 154 USPQ 29 (CCPA 1967). Therefore, any analysis employed in an obviousness-type double patenting rejection parallels the guidelines for analysis of a 35 U.S.C. 103 obviousness determination. *In re Braat*, 937 F.2d 589, 19 USPQ2d 1289 (Fed. Cir. 1991); *In re Longi*, 759 F.2d 887, 225 USPQ 645 (Fed. Cir. 1985).

(7) As further pointed out in the MPEP Section 804, pages 800-26 and 800-27, 8<sup>th</sup> Edition August 2001, the rationale in *In re Schneller*, 397 F.2d 350, 158 USPQ 210 (CCPA 1958) is limited to its specific facts. See also *Ex parte Davis*, 56 USPQ2d 1434, 1436 (PTOBPAI 2000) (non-precedential) (Stoner, chief administrative patent judge, and Harrison and Nase, administrative patent judges) .

(8) Claims 8, 9, 12, 13, and 33-39 are not unpatentable under 35 USC 102(b).

(9) Claims 10, 11, and 14-32 are not unpatentable under 35 USC 103(a).

(10) Claims 33-39 are not unpatentable under 35 USC 101.

(11) Claims 8-39 are not unpatentable on the ground of obviousness-type double patenting.

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